

Presented to Legislative Assembly
on 03 NOV 2015

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

ON

STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2014

GOVERNMENT OF UTTARAKHAND

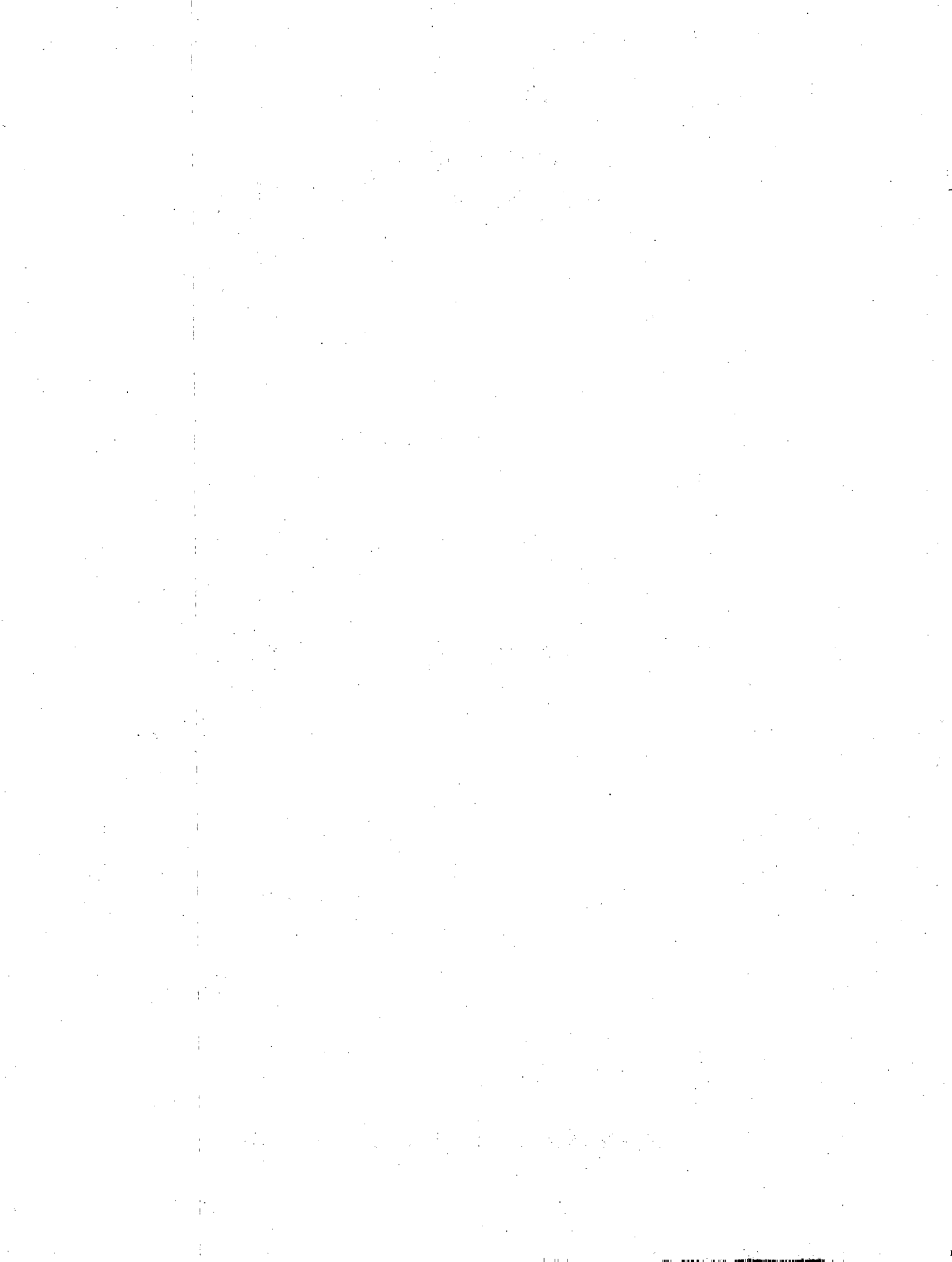


TABLE OF CONTENTS			
Sl. No.	Contents	Paragraph	Page No.
1.	Preface		v
2.	Executive summary		vii
CHAPTER-1: FINANCES OF THE STATE GOVERNMENT			
3.	Profile of the State	1.1	1
4.	Resources of the State	1.2	7
5.	Revenue receipts	1.3	10
6.	Capital receipts	1.4	14
7.	Public Account receipts	1.5	15
8.	Application of resources	1.6	15
9.	Quality of expenditure	1.7	20
10.	Analysis of Government expenditure and investments	1.8	23
11.	Assets and Liabilities	1.9	27
12.	Debt Management	1.10	29
13.	Fiscal Imbalances	1.11	32
14.	Follow up on previous Audit Reports on State Finances	1.12	35
15.	Conclusion	1.13	35
16.	Recommendations	1.14	37
CHAPTER-2: FINANCIAL MANAGEMENT AND BUDGETARY CONTROL			
17.	Introduction	2.1	39
18.	Summary of Appropriation Accounts	2.2	39
19.	Financial Accountability and Budget Management	2.3	40
20.	Outcome of Review of selected Grant	2.4	47
21.	Outcome of Inspection of Treasuries	2.5	50
22.	Advances from Contingency Fund	2.6	50
23.	Pendency in submission of Detailed Countersigned Contingent (DC) Bills against Abstract Contingent Bills (AC)	2.7 (A)	51
24.	Un-reconciled Expenditure	2.7 (B)	52
25.	Deficiencies in Budgeting Process	2.8	52

26.	Conclusion	2.9	54
27.	Recommendations	2.10	54
CHAPTER-3: FINANCIAL REPORTING			
28.	Delay in furnishing Utilisation Certificates	3.1	55
29.	Non-submission/Delay in submission of Accounts	3.2	55
30.	Delay in submission of Accounts in respect of Departmentally Managed Commercial Undertakings	3.3	56
31.	Misappropriations, losses, defalcations, etc.	3.4	57
32.	Bookings under Minor Head 800-'Other Receipts' and 'Other Expenditure'	3.5	57
33.	Conclusion	3.6	58
34.	Recommendations	3.7	59

APPENDICES		
Appendix 1	State Profile	61
Appendix 1.1	Part A: Structure and Form of Government Accounts Part B: Layout of Finance Accounts	62
Appendix 1.2	Part A: Methodology adopted for the Assessment of Fiscal Position Part B: Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005	64 66
Appendix 1.3	Time series data on the State Government Finances	69
Appendix 1.4	Part A: Abstract of Receipts and Disbursements for the year 2013-14 Part B: Summarised financial position of the Government of Uttarakhand as on 31 March 2014	72 75
Appendix 1.5	Statement showing the funds transferred to the State implementing agencies under programmes/ schemes outside the State budget during 2013-14	77
Appendix 1.6	List of completed Public Private Partnership Projects	79
Appendix 1.7	List of PPP Projects under bidding	80
Appendix 1.8	List of PPP projects in pipeline	81
Appendix 1.9	List of cancelled PPP projects	83
Appendix 1.10	Summarised Financial Statement of Departmentally Managed Commercial/ Quasi-Commercial Undertakings	84
Appendix 2.1	Statement of various grants/appropriations where saving/ shortfall in the utilisation of funds was more than ₹ 1 crore or more than 20 per cent of the total provision	85
Appendix 2.2	Statement of various grants/ appropriations where excess expenditure was more than ₹ one crore each or more than 20 per cent of the total provision	87
Appendix 2.3	Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary	88
Appendix 2.4	Statement of various grants/ appropriations where supplementary provision proved insufficient by more than ₹ one crore each	89
Appendix 2.5	Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving (shortfall in the utilisation of funds)/ in excess of ₹ 10 lakh and above	90
Appendix 2.6	Substantial surrenders made during the year 2013-14	93

Appendix 2.7	Surrenders in excess of actual savings (₹ 50 lakh or more)	94
Appendix 2.8	Statement of various grants/ appropriations in which savings of ₹ 5 crore and above occurred but no part of which had been surrendered	95
Appendix 2.9	Details of saving/ shortfall in the utilisation of funds of ₹ 1 crore and above not surrendered	96
Appendix 2.10	Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2014	98
Appendix 2.11	Rush of expenditure	99
Appendix 2.12	Fund transferred to deposit accounts at the end of the year	100
Appendix 2.13	Persistent savings during 2011-14	101
Appendix 2.14	Rush of expenditure	103
Appendix 2.15	Expenditure made from Contingency Fund during the year 2013-14 remained un-recouped	104
Appendix 2.16	Year wise non recoupment of funds to Contingency Fund under the Grants and Major Heads	105
Appendix 2.17	Pending DC bills for the years up to 2013-14 (Position as on March 2014)	106
Appendix 3.1	Statement of finalisation of Accounts and the Government Investment in Departmentally Managed Commercial and Quasi-Commercial Undertakings	107
Appendix 3.2	Department wise/ duration wise break-up of the cases of misappropriation, defalcation, <i>etc.</i> (cases where final action was pending at the end of March 2014)	108
Appendix 3.3	Department/ category wise details in respect of cases of loss to Government due to theft, misappropriation/ loss of Government material	109
Appendix 4.1	Glossary of terms	110

PREFACE

This Report has been prepared for submission to the Governor of the State of Uttarakhand under Article 151 of the Constitution.

Chapter 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2014. Information has been obtained from the Government of Uttarakhand wherever necessary.

Chapter-3 on Financial Reporting provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

The Report containing the findings of performance audit and audit of transactions in various departments, audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts is presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the finances of the Government of Uttarakhand is being brought out to assess the financial performance of the State during the year 2013-14 *vis-à-vis* the Budget and the target set under the Fiscal Responsibility and Budget Management Act, 2005 and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Uttarakhand for the year ending 31 March 2014 and additional data collected from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

Chapter-1 is based on the audit of Finance Accounts and makes an assessment of Uttarakhand Government's fiscal position as on 31 March 2014. It provides an insight into trends and profile of key fiscal aggregates, committed expenditure, borrowing pattern *etc.*

Chapter-2 is based on Appropriation Accounts and it gives grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter-3 details Government's compliance with various reporting requirements and financial rules and non-submission of accounts.

Audit findings

Chapter-1

Finances of the State Government

The State was able to bring down the revenue deficit to almost nil (₹ 13 crore) during 2010-11. The revenue deficit ultimately turned into surplus during 2011-12 (₹ 716 crore), 2012-13 (₹ 1,787 crore) and 2013-14 (₹ 1,105 crore). Fiscal deficit of the State government continued to be below the target of four *per cent* (revised) as envisaged in FRBM Act since 2007-08. It was within reasonable limits (3.5 *per cent* of GSDP) during 2010-11, 2011-12, 2012-13 and (three *per cent* of GSDP) during 2013-14. Fiscal deficit at ₹ 2,650 crore (2.16 *per cent* of GSDP) for the current year 2013-14 was also well below the normative assessment of three *per cent* made by the Thirteenth Finance Commission (*Th FC*).

The State Government in its Mid Term Fiscal Policy Statement presented to State Legislature along with the Budget 2013-14, has committed itself to the recommendations of the *Th FC* which advocates that the fiscal deficit should be three *per cent* of the GSDP in the year 2013-14. For achieving the targets, the State government has to borrow less and thereby less funds would

be available in the near future. However, during the current fiscal, the Government managed to capitalise only five *per cent* more funds than as compared the year 2012-13.

The average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible (0.01 *per cent* of the investment made) in the past five years while the Government paid an average interest of 7.78 *per cent* on the borrowed funds for this investment.

The Government may ensure better value for money in investments by identifying the Companies/ Corporations which are endowed with low financial but high socio-economic returns and can justify high cost borrowings being channelised there.

The debt-GSDP¹ ratio showed a declining trend during 2009-10 to 2013-14 *i.e.* from 26.51 *per cent* to 23.50 *per cent* as against the target (38.50 *per cent*) set forth by the *Th FC* for the year 2013-14 in respect of Uttarakhand.

There is no single agency monitoring the use of funds transferred directly by GOI to implementing agencies and also there is no readily available data to ascertain how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies.

Chapter-2

Financial management and budgetary control

During 2013-14, there was an overall savings of ₹ 6,580.95 crore against the total grants and appropriations of ₹ 30,145.69 crore. There was an excess of ₹ 1,837.15 crore in three grants which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 1,745.60 crore obtained in 20 cases proved unnecessary. The departments surrendered ₹ 1,832.68 crore on the last working day of the financial year leaving no scope for utilizing these funds for other development purposes.

An amount of ₹ 797.62 crore drawn by the State Government during the month of March 2014 was deposited in the deposit heads to avoid lapse of budget grants.

A significant amount of ₹ 194.48 crore was sanctioned under Contingency Fund in 17 cases and the entire amount has remained un-recouped.

Excess expenditure amounting to ₹ 9,229.25 crore pertaining to the years 2005-13 was yet to be regularised by the State Legislature.

¹ On Current/ Market price. However, in the earlier Reports, the debt/ GSDP ratio was being calculated on Constant GSDP prices.

Chapter-3

Financial reporting

The departmental officers did not submit 427 Utilisation Certificates, in respect of the grants (₹ 399.75 crore) given for specific purposes, to the Accountant General (A&E), Uttarakhand till March 2014. In the absence of these certificates it could not be ascertained whether the recipients had utilised the grants for the intended purposes. The departmental heads were not submitting statement of such bodies and authorities to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such the institutions which attract audit by CAG could not be identified properly.

Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' were not distinctly depicted in the State Finance Accounts of 2013-14, affecting the transparency in financial reporting.

CHAPTER-1

FINANCES OF THE STATE GOVERNMENT

CHAPTER- 1

FINANCES OF THE STATE GOVERNMENT

This chapter provides an overview of the finances of the State Government during the financial year 2013-14 by benchmarking against past trends of major fiscal aggregates and its structural profile. *Appendix 1.1* contains the structure and layout of the Finance Accounts of the State Government on which this Report is based. *Appendix 1.2 (Part A)* briefly outlines the methodology adopted for the assessment of the fiscal position of the State.

1.1 Profile of the State

Uttarakhand is a Special Category State (SCS) as per the categorization of States made by the Government of India. The special privileges given to Uttarakhand include financial assistance from Government of India (GOI) in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike non-special category States which get central aid in the ratio of 30 *per cent* grant and 70 *per cent* loan.

The State has seen considerable economic growth in the past decade and the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product¹ (GSDP) at current prices for the period 2004-05 to 2013-14 has been over 19.42 *per cent*.

The social indicators, *viz.* literacy rate and rate of infant mortality at birth, indicated that the State had a better literacy and a lower infant mortality rate than the all India average. The percentage of BPL population in the State was well below the all India average (*Appendix 1*).

Gross State Domestic Product (GSDP)

The trends in the annual growth of India's GDP and the State's GSDP at current prices are given below:

Annual growth rate of GDP and GSDP at current prices

Year	2009-10	2010-11	2011-12	2012-13 (QE)*	2013-14 (AE)*
India's GDP (₹ in crore)	61,08,903	72,48,860	83,91,691	93,88,876	1,04,72,807
Growth rate of GDP (percentage)	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)	70,730	83,969	97,858	1,07,868	1,22,433
Growth rate of GSDP (percentage)	26.25	18.72	16.54	10.23	13.50

Source: Data provided by HQ's office.

*QE-Quick Estimate & AE-Advance Estimate

Rate of growth of GSDP in comparison to GDP varied over the period 2009-10 to 2013-14. The growth rate of GSDP was higher than the GDP growth rate in 2009-10, 2011-12 & 2013-14. It was almost identical in the year 2010-11 but remained on the lower side in 2012-13. The growth

¹ Refer glossary in **Appendix 4.1**

rate of GSDP declined sharply (10.23 per cent) during 2012-13 over 2011-12 (16.54 per cent). However, it again increased to 13.50 per cent in 2013-14 over previous year.

A summary of Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 (modified in March 2011 on the recommendation of *Th FC*) and the State's own Fiscal Correction Path (FCP) through Mid Term Fiscal Policy (MTFP) is given in *Appendix 1.2 (Part B)*.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2013-14) *vis-à-vis* the previous year (2012-13). *Appendix 1.4* provides details of receipts and disbursements as well as overall fiscal position during the current year as compared to previous year.

Table 1.1: Summary of Current Year's Fiscal Operations (₹ in crore)

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
					Non-Plan	Plan	Total
Section-A: Revenue							
Tax revenue	6,414.24	7,355.34	General services	5,372.23	6,178.37	3.67	6,182.04
Non-tax revenue	1,602.88	1,316.54	Social services	6,095.84	5,074.62	2,223.39	7,298.01
Share of Union Taxes/ Duties	3,272.88	3,573.38	Economic services	1,995.29	1,528.04	539.91	2,067.95
Grants from Government of India	4,457.22	5,075.27	Grants-in-aid and Contributions	496.86	668.41	--	668.41
Revenue receipts	15,747.22	17,320.53	Revenue expenditure	13,960.22	13,449.44	2,766.97	16,216.41
Section-B: Capital and Others							
Misc. Capital Receipts	-	180.40	Capital Outlay	3,542.09	573.76	3,138.27	3,712.03
Recoveries of Loans and Advances	428.44	55.23	Loans and Advances disbursed	272.57	1.76	276.23	277.99
Public Debt receipts*	2,967.43	3,873.17	Repayment of Public Debt*	1,472.21	--	--	1,316.81
--	--	--	Appropriation to Contingency Fund	--	--	--	400.00
Contingency Fund	32.22	412.00	Contingency Fund	32.07	--	--	194.48
Public Account receipts#	21,925.45	25,954.59	Public Account disbursements#	20,961.24	--	--	25,190.33
Opening Cash Balance	1,085.18	1,945.54	Closing Cash Balance	1,945.54	--	--	2,433.41
Total	42,185.94	49,741.46	Total	42,185.94	--	--	49,741.46

* Excluding net transactions under Ways and means advances and overdraft.

In other Places Net figure of Public Account Receipts have been taken for analyzing the State resources

The following are the significant changes during 2013-14 over the previous year:

- Revenue receipts grew by ₹ 1,573.31 crore (9.99 per cent) over the previous year. This was due to the increase in State's own tax revenue (₹ 941.10 crore), State's share of Union taxes/duties (₹ 300.50 crore) and grants from Government of India (₹ 618.05 crore) partly offset by decrease in non-tax revenue (₹ 286.34 crore).
- Revenue expenditure increased by ₹ 2,256.19 crore (16.16 per cent) during the year over the previous year as detailed in succeeding **Paragraph 1.6.1**.

- Capital expenditure during the year increased by ₹ 169.94 crore (4.80 per cent) over the previous year as detailed in succeeding **Paragraph 1.6.1**.
- Recovery of loans and advances decreased from ₹ 428.44 crore (2012-13) to ₹ 55.23 crore (87.10 per cent).
- Public debt receipts registered an increase of ₹ 905.74 crore during the year 2013-14 due to increase in internal debt of State Government (₹ 905.49 crore). However, loans and advances from the Central Government remained almost identical.
- Net Public Account Receipts decreased from ₹ 964 crore in 2012-13 to ₹ 764 crore in 2013-14.
- The cash balance of the State at the end of the current year increased by ₹ 487.87 crore as compared to the closing balance at the end of 2012-13.

1.1.2 Review of the fiscal situation

Major fiscal variables provided in the Budget based on the recommendations of the *Th FC* and as targeted in the FRBM Act of the State are given in **Table 1.2**.

Table 1.2

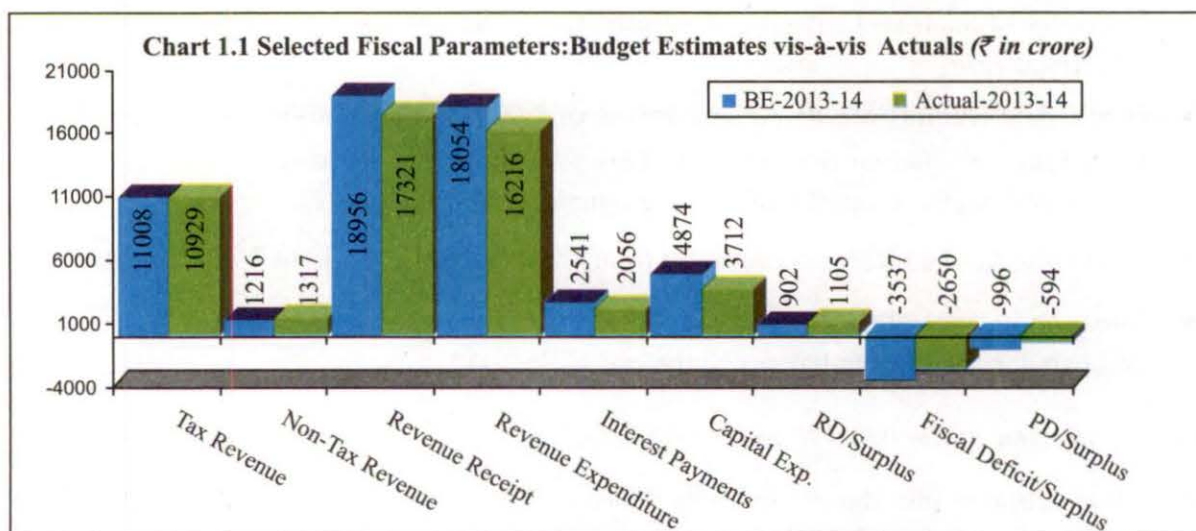
Fiscal variables	2013-14						
	Targets as prescribed in FRBM Act	Targets proposed in the Budget	Projections made in MTFP	Actuals	Percentage variation of actual over		
					Targets of FRBM Act	Targets of Budget	Projections MTFP
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	To be brought down to nil by March 2015.	(+) 901.52	(+) 1,548.39	(+) 1,104.12	Achieved	(+) 22.47	(-) 28.69
Fiscal Deficit/ GSDP (in per cent)	3.00	2.90	2.95	2.16	(+) 28.00	(+) 25.52	(+) 26.78
Ratio of outstanding fiscal liability of the Government to GSDP (in per cent)	38.50	23.36	22.22	23.50	38.96	(-) 0.60	(-) 5.76

The State Government has been on a fiscal consolidation path since the passing of the FRBM Act, 2005. The State Government has been able to maintain revenue surplus over the years barring in the year 2009-10. The fiscal deficit of the State has also remained within the prescribed limit of *Th FC*.

1.1.3 Budget estimates and actuals

The Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates (BEs) are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government. A comparison

of the actuals against the BE in respect of various components showed a mixed trend during 2013-14:



- The overall revenue receipts were short by ₹ 1,635 crore due to less receipt of funds of ₹ 1,657 crore (24.60 per cent) from GOI under grants-in-aid. The non-tax revenue was higher by ₹ 101 crore (8.30 per cent) against the BEs for the current year. The State's tax revenue against the BEs was slightly lower by ₹ 79 crore (0.72 per cent).
- The revenue expenditure was ₹ 1,838 crore (10.18 per cent) less than the BEs for the current year.
- The expenditure under capital head remained unutilised to the extent of ₹ 1,162 crore (23.84 per cent), mainly due to less disbursement under Energy.
- The budgetary projections during 2013-14 for Revenue, Fiscal and Primary Deficits were in line with the FRBM Act, 2005 (revised vide Uttarakhand Act No.72 of 2011) and *Th FC* recommendations. (Chart 1.1). The actuals for 2013-14 were well within the projections.

1.1.4 Gender Budgeting

1.1.4.1 Introduction

Budget allocation for Gender Budgeting (GB) has been categorised as Category I and Category II. Under Category I, the allocation is cent per cent for welfare of women. Under Category II, minimum 30 per cent allocation of the overall budget intended is provided exclusively for development of women. Further, Gender Budget Cell (GBC) was to be set up to initiate various Gender Responsive Budgeting (GRB) initiatives. However, it was seen that the State Government has not constituted any dedicated GBC at the State level.

The provisions for GB had been made in the State budget with effect from Financial Year 2007-08. The year-wise allocations in the GB document are detailed in Table 1.3.

Table 1.3: Gender budgetary allocations during 2009-14

('₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Allocation in Category I of Gender Budgeting	170.94	255.19	215.63	316.41	522.23
Allocation in Category II of Gender Budgeting	1,160.74	1,274.24	1,614.37	1,921.49	2,739.06
Total Allocation under Gender Budget (Category I + Category II)	1,331.68	1,529.43	1,830.00	2,237.90	3,261.29
Expenditure in Category I of Gender Budgeting	158.05	177.31	201.30	347.58	NA*
Expenditure in Category II of Gender Budgeting	1,219.98	1,324.59	1,104.59	1,805.53	NA*
Total Expenditure under Gender Budget (Category I + Category II)	1,378.03	1,501.90	1,305.89	2,153.11	NA*
Number of Department Covered	24	26	26	29	30

* Information not provided by the State Government.

Source: Budget documents and Appropriation Accounts

Budgetary allocations made under both categories over the period 2009-10 to 2013-14 by the Government of Uttarakhand has shown substantial increase from ₹ 1,331.68 crore in 2009-10 to ₹ 3,261.29 crore in 2013-14, particularly an increase of 46 per cent in the 2012-13 to 2013-14 period. In the same way actual expenditure recorded an increase from ₹ 1,378.03 crore in the year 2009-10 to ₹ 2,153.11 crore by the year 2012-13 particularly an increase of 65 per cent in the period 2011-12 to 2012-13.

From the above, it is clear that State has provisioned GB in a major way to ensure availability of fund to improve the position of women in society. However, the detailed analysis of schemes under category "I" and "II" in test-checked departments of Forest and Tourism showed the following:

(i) Forest:

The Gender Budget Document of 2013-14 included seven schemes with respect to the Department of Forest, one under category I and six under category II which is given in Table 1.4.

Table 1.4: Schemes under category I & II of Department of Forest

('₹ in lakh)

Scheme	Total Allocation	Allocation under GB	Magnitude of Allocation (in per cent)	Total Expenditure	Expenditure under GB*	Magnitude of Expenditure (in per cent)
Category "I"						
Nursery development under women component	60.00	60.00	100	30.00	30.00	100
Total of Category I	60.00	60.00	100	30.00	30.00	100
Category "II"						
Conservation and development of Medicinal/Herbal Species	30.00	12.00	40	29.96	9.00	30
Human resource development of forest officers and staff	63.51	25.40	40	58.17	17.45	30
Ex-gratia payment for loss caused to human life and property by wild animals	100.01	40.00	40	100.00	30.00	30
Award to injured/dead employees of forest department during confrontation of mafias	20.00	6.00	30	00	00	00
Rehabilitation of Gujjars	35.00	14.00	40	35.00	10.50	30
Man-animal conflict mitigation	840.02	336.01	40	839.43	252.00	30
Total of Category II	1,088.54	433.41	40	1,062.56	318.95	30
Grand Total	1,148.54	493.41	43	1,092.56	348.95	32

* As per department, expenditure under GB is only presumptive based

Scrutiny of records of the Forest Department showed that GB was not being provisioned by the Department but the targets were fixed at the Government level itself. Even the expenditure under GB was booked on presumptive basis assuming the percentage of participation of women in the scheme at 30 per cent. Gender wise segregated data of beneficiaries for any scheme was not available with the Department. No instructions were given for the utilization of GB to the Department and their implementing agencies. Moreover, there was no provision for GB execution in the working plan.

(ii) Tourism:

The Gender Budget Document of 2013-14 with respect to Department of Tourism includes five schemes, one under category I and four under category II. The details are given in **Table 1.5**.

Table 1.5: Scheme under Category I & II of Department of Tourism (₹ in lakh)

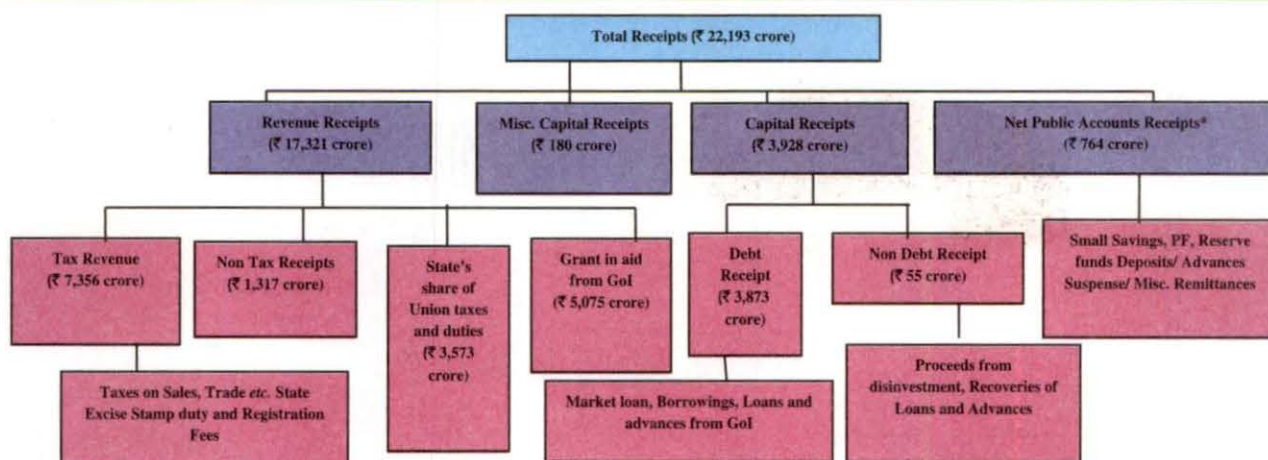
Scheme	Total Allocation	Allocation under GB	Magnitude of Allocation	Total Expenditure	Expenditure under GB*	Magnitude of Expenditure
Category "I"						
Construction of Girls Hostel in IHM Ghari Cantt	14.42	14.42	100	14.42	14.42	100
Total of Category I	14.42	14.42	100	14.42	14.42	100
Category "II"						
Loan aids and self-employment	1,300.00	520.00	40	1,100.00	NA	NA
Establishment of Government Hotel Management and catering institution	270.06	81.02	30	250.46	NA	NA
Construction/development of basic infrastructure in Char Dham Yatra Margs	100.00	40.00	40	115.22	NA	NA
Encouragement of adventure tourism	120.00	48.00	40	120.00	NA	NA
Total of Category II	1,790.06	689.02	38.5	1,585.68	NA	NA
Grand Total	1,804.48	703.44	39	1,600.10	NA	NA

* Department was not having segregated data of expenditure under GB

Scrutiny of records showed that the provision for GB was not being prepared by the Department and instead the targets were being fixed by the Government. The Department was not able to identify gender wise beneficiary list and was also not able to provide the expenditure during 2013-14, incurred under GB. On being asked about the details of expenditure shown during 2012-13 under GB, the Department stated that it was not aware.

Further, it was seen that in one scheme under category II, "Establishment of Government Hotel Management and Catering Institution", all the expenditure incurred related to office expenses and salary head.

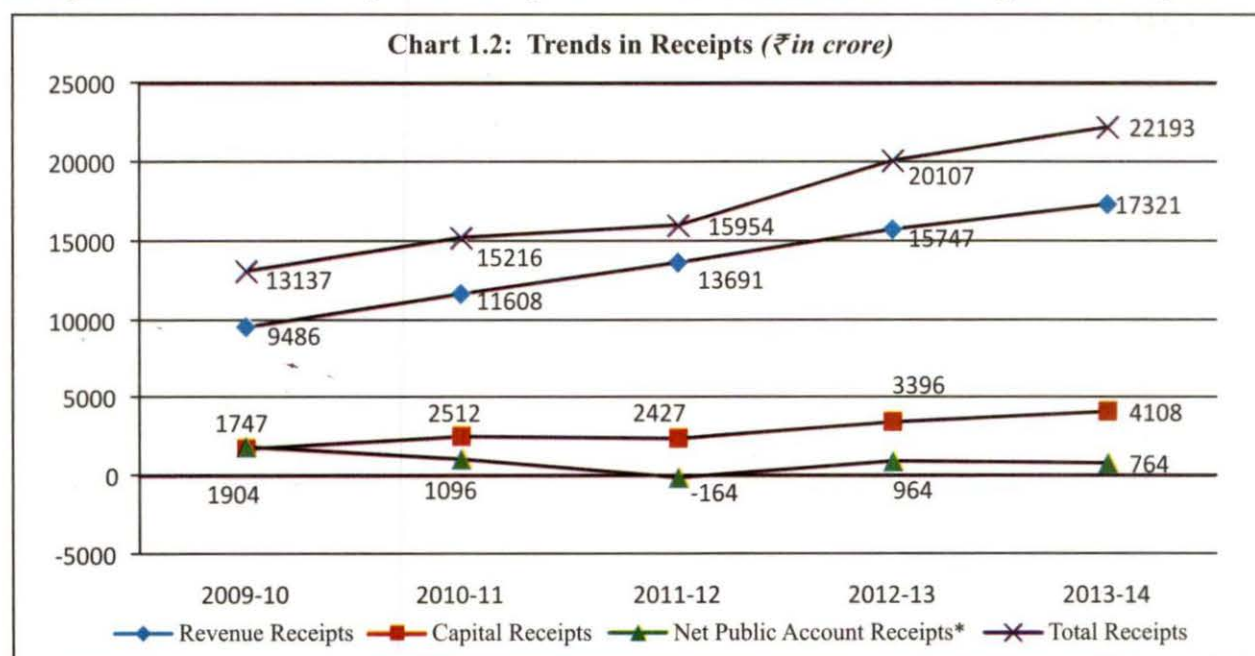
1.2 Resources of the State



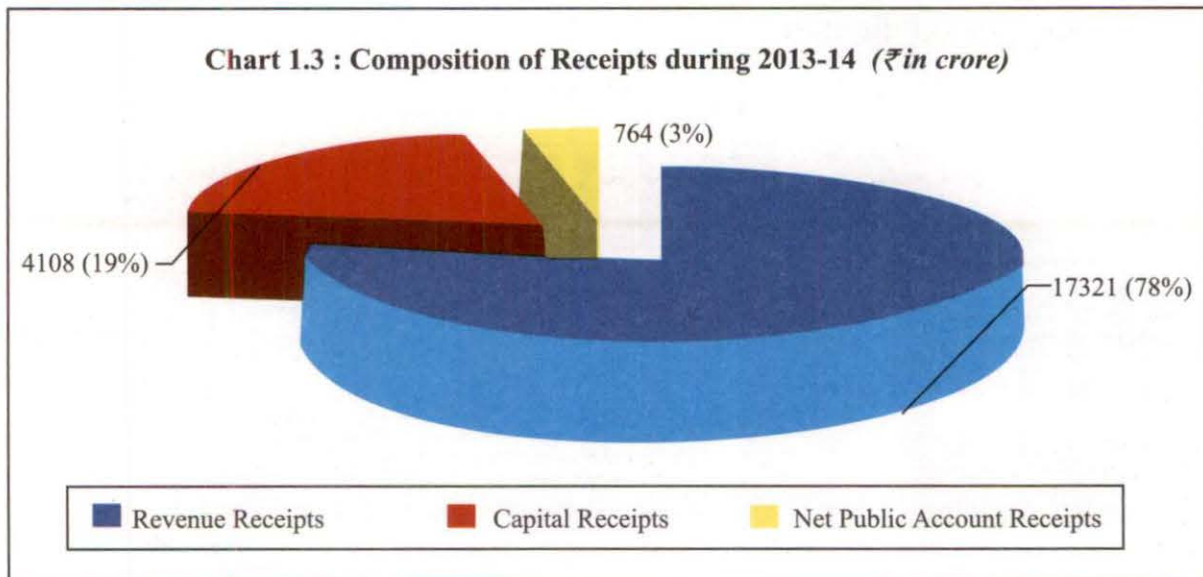
* Net Public Account Receipts (₹ 764 crore) = Public Accounts Receipts (₹ 25,954 crore) less Public Accounts Disbursements (₹ 25,190 crore)

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties, and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks), and loans and advances from GOI. Besides, funds available in the public accounts after disbursement are also utilized by the Government to finance its deficit. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts (**Appendix 1.1**) while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2009-14. **Chart 1.3** depicts the composition of resources of the State during the current year.



* Net Public Account Receipts = Public Accounts Receipts less Public Accounts Disbursements



The total receipts of the Government (excluding Contingency Fund Receipts) grew from ₹ 13,137 crore in 2009-10 to ₹ 22,193 crore in 2013-14 (68.94 per cent). Of the receipts of ₹ 22,193 crore in 2013-14, three per cent (₹ 764 crore) of the receipts came from the net Public Account whereas 78 per cent (₹ 17,321 crore) and 19 per cent (₹ 4,108 crore) share of the total receipts came from revenue receipts and borrowings respectively.

The revenue receipts of the State during the current year grew by 9.99 per cent over the previous year. However, as a percentage in the composition of total receipts, revenue receipts decreased by two per cent during the current year. Share of capital receipts in the total receipts has showed marginal appreciation by about one per cent due to miscellaneous capital receipts (refer Table 1.1).

Trends in Public Account receipts

- The increase of ₹ 4,029.13 crore under public account receipts were due to increase in remittances (₹ 1,699.65 crore), suspense and miscellaneous (₹ 1,259.53 crore), deposit & advances (₹ 727.37 crore), reserve fund (₹ 188.59 crore) and small savings & provident funds (₹ 153.99 crore).
- Suspense and Miscellaneous receipts increased by ₹ 1,260 crore (8.39 per cent) during the year mainly due to increase under the suspense head for Cheques and Bills (₹ 1,851 crore). This suspense head is credited while issuing the cheques and is cleared on receipt of information from the bank regarding encashment of cheques.

1.2.2 Funds transferred to State implementing agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State implementing agencies² for the implementation of various schemes/ programmes in social and economic sectors recognised as critical. These funds are not routed through the State Budget/ State Treasury system. Therefore, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them remained underestimated. To present a holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies are detailed in **Appendix 1.5**. Significant amounts transferred to the major programmes/schemes are presented in **Table 1.6**.

Table 1.6: Significant amount of funds transferred directly to State implementing agencies (₹ in crore)

Sl. No.	Scheme Name	Agency Name/ Agency Type	Fund Transferred
1	Mahatma Gandhi National Rural Employment Guarantee	Uttarakhand Rajya Rojgar Gaurantee Sanstha State Govt. Institution	330.01 (17.34)
2	Sarva Siksha Abhiyan (SSA)	Uttarakhand Sabhi Ke Liye Shiksha Parishad (Registered Society) Govt. A.B.s	220.43 (11.58)
3	National Rural Health Mission (NRHM)	Uttarakhand Health & Family Welfare Society(T.B.C.) (Registered Society) Govt. A.B.s	191.12 (10.05)
4	Support to Indian Institute of Technology(IITs)	IIT Roorkee, Uttarakhand (Registered Society) Govt. A.B.s	150.00 (7.88)
5	Grants in Aid to F and WL Institutions	Forest Research Institute(ICFRE), Wildlife Institute of India (Registered Society) Govt. A.B.s	138.46 (7.28)
6	National Rural Drinking Water Programme	SWSM, Uttarakhand (Registered Society) Govt. A.B.s	87.61 (4.61)
7	Rashtriya Madhyamic Shiksha Abhiyan (RMSA)	Uttarakhand Sabhi Ke Liye Madhyamic Shiksha Parishad (Registered Society) Govt. A.B.s	75.72 (3.98)
8	Rural Housing –IAY	DRDA (Registered Society) Govt. A.B.s	64.05 (3.37)
9	Autonomous Institutions and Professional Bodies	Aryabhata Research Institute of observational sciences (ARIES), Wadia Institute of Himalayan Geology (Registered Society) Govt. A.B.s	58.89 (3.10)
10	Pradhan Mantri Swasthya Suraksha Yojna	AIIMS, Rishikesh (Registered Society) Govt. A.B.s	51.75 (2.72)
Total:			1368.04

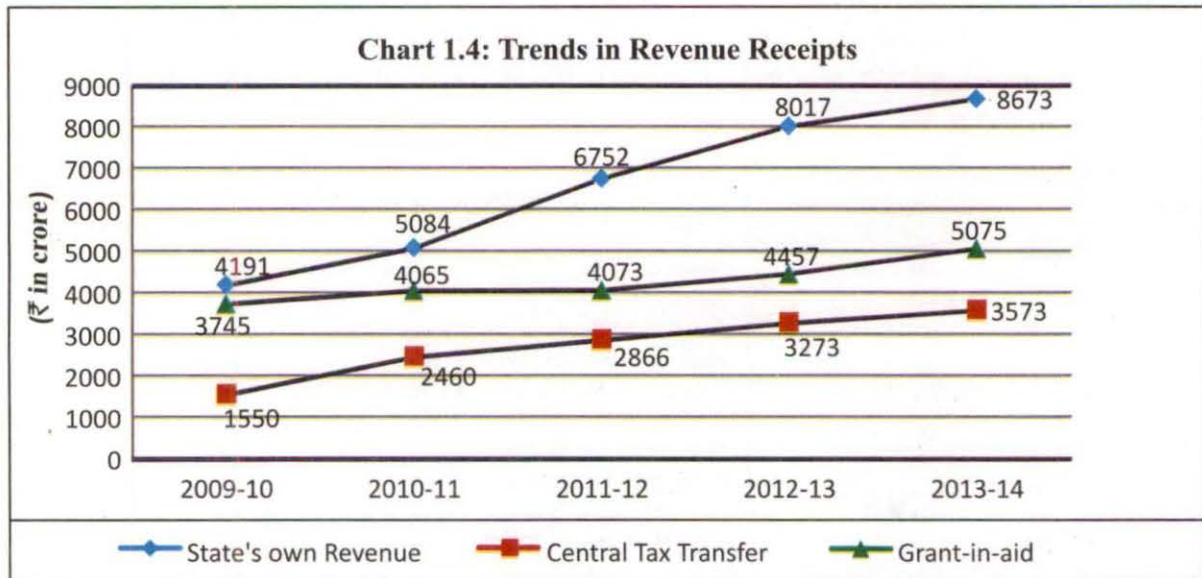
Source: Central Plan Scheme Monitoring System of Controller General of Accounts website
Figures in parentheses indicate percentage to total fund transferred

Table 1.6 shows the significant amount of funds received by different agencies in Uttarakhand directly from various Ministries of GOI for the implementation of programmes under Social and Economic sectors. Thus, with the transfer of ₹ 1,903 crore during 2013-14 (**Appendix 1.5**) by GOI directly to the State implementing agencies, the total availability of State resources increased from ₹ 47,383 crore to ₹ 49,286 crore. It is also evident that there is no single agency monitoring the funds transferred by the GOI directly to the implementing agencies. As such, there is no readily available data on how much fund is actually spent in any particular year on major flagship schemes and other important schemes which are being undertaken by the State implementing agencies.

² Refer glossary in **Appendix 4.1**

1.3 Revenue receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of State's own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2009-10 to 2013-14 are presented in *Appendix 1.3* and are also depicted in **Chart 1.4**.



The revenue receipts have shown a constant increase over the period 2009-10 to 2013-14. They increased from ₹ 9,486 crore in 2009-10 to ₹ 17,321 crore in 2013-14 at an average rate of 15.04 per cent per annum.

While 50.07 per cent of the revenue receipts during 2013-14 came from the State's own tax and non-tax revenue, the aggregate of Central tax transfers and grants-in-aid contributed the remaining 49.93 per cent of the total revenue.

State's own receipts constituted on an average around 47.66 per cent of its revenue receipts, over the period 2009-14. This showed continued dependency of the State on the grants-in-aid from GOI as the State has not been able to broaden its tax base. The trends in revenue receipts relative to GSDP are presented in **Table 1.7**.

Table 1.7: Trends in revenue receipts relative to GSDP

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Receipts (RR) (₹ in crore)	9,486	11,608	13,691	15,747	17,321
Rate of growth of RR (per cent)	9.86	22.37	17.94	15.02	10.00
R R/ GSDP (per cent)	13.41	13.82	13.99	14.60	14.15
Buoyancy Ratios³					
Revenue Buoyancy w.r.t. GSDP	0.38	1.19	1.08	1.47	0.74
State's Own Tax Buoyancy w.r.t. GSDP	0.64	1.27	1.66	1.39	1.09

³ Refer glossary in **Appendix 4.1**

The rate of growth of revenue receipts showed an increasing trend over the period 2009-10 to 2010-11. The growth rate grew to 22.37 per cent during 2010-11 and thereafter it began to decline and came down to 10 per cent in 2013-14. The growth rate for 2013-14 declined by 5.02 per cent from the previous year. The buoyancy ratio of State's own taxes with reference to GSDP, were below one during 2009-10 and showed a fluctuating trend during 2010-11 to 2013-14, ranging from 1.66 to 1.09. It was above one during the year 2013-14 but showed lower buoyancy over the previous year indicating decreased revenue collection in comparison to the growth in GSDP.

1.3.1 State's Own resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The *Th FC* projections, BEs and MTFP projections *vis-à-vis* actuals in respect of State's own resources are given in **Table 1.8**.

Table 1.8: States Own resources: Projection *vis-à-vis* actual (₹ in crore)

	Th. FC projections	Budget estimates	MTFP projections	Actual	Percentage variation of actual over		
					Th FC projections	Budget estimates	MTFP projections
Own Tax Revenue	6,146	7,111	7,289	7,356	19.69	3.45	0.92
Non-Tax Revenue	1,100	1,216	1,262	1,317	19.73	8.31	4.36

As shown in **Table 1.8**, the State's own resources *vis-à-vis* projections made by the *Th FC*, *BE* and *MTFPS* showed that tax revenue during 2013-14 exceeded by ₹ 1,210 crore, ₹ 245 crore and ₹ 67 crore respectively.

The Non-tax revenue (NTR) was also higher by ₹ 217 crore, ₹ 101 crore and ₹ 55 crore as compared to *Th FC* projections, BE and MTFPS respectively.

1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in **Table 1.9**.

Table 1.9: Components of State's own resources (₹ in crore)

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14
Taxes on Sales, Trades etc.	2,247 (18)	2,940 (31)	3,644 (24)	4,289 (18)	4,903 (14)
State Excise	705 (34)	756 (7)	844 (12)	1,118 (32)	1,269 (14)
Taxes on Vehicles	184 (10)	227 (23)	335 (48)	304 (-9)	369 (21)
Stamp Duty and Registration Fee	399 (12)	440 (10)	524 (19)	648 (24)	687 (6)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	24 (-68)	42 (75)	269 (540)	55 (-80)	128 (133)
Total	3,559 (17)	4,405 (24)	5,616 (27)	6,414 (14)	7,356 (15)

Figures in the parentheses indicate percentage increase over previous year

The State's own tax revenue increased by 14.69 per cent from ₹ 6,414 crore in 2012-13 to ₹ 7,356 crore in 2013-14. However, the rate of growth during the year in comparison to previous

year marginally increased by one *per cent*. The revenue from taxes on Sales, Trade, *etc.* not only comprised a major share of tax revenue (66.65 *per cent*) but also registered an increase of 14 *per cent* over the previous year. Another major contributor to the State's own tax revenue was State Excise.

1.3.1.2 Non-tax revenue

Growth rate of non-tax revenue is given in **Table 1.10**.

Table 1.10: Trends of non-tax revenue receipt (*₹ in crore*)

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14
Interest receipts	54	54	51	115	51
Dividends & Profits	0.07	0.21	0.05	0.19	0.30
Other non-tax receipts	577.93	623.79	1,048.95	1,487.81	1,265.70
Total	632	678	1,136	1,603	1,317
<i>Per cent increase over previous year</i>	<i>(-) 9.59</i>	<i>7.28</i>	<i>67.55</i>	<i>41.11</i>	<i>(-) 17.84</i>

Non-tax revenue decreased by 10 *per cent* during 2009-10. However, NTR appreciated again by 7.28 *per cent* during the year 2010-11. During the year 2011-12 and 2012-13, it increased significantly by 67.55 *per cent* and 41.11 *per cent* over previous years but decreased by 17.84 *per cent* during the current year over the previous year mainly as a result of decrease in Contribution and Recoveries towards Pension and Other Retirement benefits (₹ 502.87 crore-67.17 *per cent*) and Interest Receipts (₹ 63.64 crore- 55.45 *per cent*). This was partially counter balanced by increase in receipt from Non-ferrous Mining and Metallurgical Industries (₹ 140.14 crore- 127.58 *per cent*) and Forestry and Wild Life (₹ 124.50 crore- 52.27 *per cent*).

During the year the state of Uttarakhand (U.K.) received ₹ 250 crore as apportionment of pension liabilities of erstwhile composite State of Uttar Pradesh (U.P.) between successor states of U.P. and U.K.

The other major contributors to NTR during 2013-14 were Forestry and Wild Life (₹ 363 crore), Power (₹ 121 crore), Interest Receipts (₹ 51 crore) and Non-ferrous Mining & Metallurgical Industries (₹ 250 crore).

1.3.2 Grants-in-aid from GOI

Grants-in-aid received from GOI during 2009-10 to 2013-14 are depicted in **Table 1.11**.

Table 1.11: Trends in grants-in-aid receipt from GOI (*₹ in crore*)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-plan grants	1,183	1,435	762	869	981
Grants for State plan schemes	2,334	2,253	2,840	3,040	3,558
Grants for Central plan schemes	11	21	10	8	13
Grants for Centrally sponsored plan schemes	217	356	462	540	523
Total	3,745	4,065	4,074	4,457	5,075
Percentage of increase over previous year	11	9	00	9	14
Percentage of revenue receipts	39	35	30	28	29

The grants-in-aid from GOI had shown an increase over the period 2009-10 to 2013-14. It increased from ₹ 3,745 crore in 2009-10 to ₹ 5,075 crore in 2013-14. The increase over previous year was ₹ 618 crore (13.87 per cent) due to increase in grants for State plan schemes (₹ 518 crore), grants for various non-plan schemes (₹ 112 crore) and grant for Central Plan Scheme (₹ five crore). However, grants for centrally sponsored plan schemes reduced by ₹ 17 crore over the previous year.

1.3.3 Central tax transfers

The receipts in the form of State's share in Union taxes and duties have increased by ₹ 300 crore (9.17 per cent) from ₹ 3,273 crore in 2012-13 to ₹ 3,573 crore in 2013-14. The overall increase in Central tax transfers (₹ 300 crore) was due to increase in Service tax (₹ 104 crore), taxes on income other than Corporation tax (₹ 88 crore), taxes on Customs and Central Excise (₹ 81 crore) and Corporation tax (₹ 26 crore) and Taxes on Wealth (₹ one crore).

1.3.4 Receipt and Utilization of Thirteenth Finance Commission Award for the first four years of award period (2010-14)

1.3.4.1 Introduction

The Th FC was constituted by the President of India under Article 280 of the Constitution to make recommendations for the period 2010-2015. For the award period (2010-11 to 2014-15), the Commission recommended an amount of ₹ 3,063 crore, under various sectors. Of this, ₹ 2,292.76 crore was due to the State in the first four years (2010-14).

1.3.4.2 Short Release against recommended amount by Government of India

During period 2010-11 to 2013-14, the State Government received an amount of ₹ 1,526.53 crore out of an award amount of ₹ 2,292.76 crore, resulting in a short-release of ₹ 766.23 crore i.e. 33 per cent. Sector-wise details of short release are given in Table 1.12.

Table 1.12: Details of Thirteenth Finance Commission recommendation and release (2010-14)

(₹ in crore)					
Sl. No	Name of the Sector	Recommendation of the ThFC	Amount Released By GOI	Shortfall in Release	UC Sent till 31/03/2014
1	2	3	4	5	6
(1)	Local Bodies				
	(i) Grants to PRIs	415.18	292.78	122.40	124.02
	(a) General Basic Grant	281.80	292.78	-10.98	124.02
	(b) General Performance Grants	133.38	00	133.38	00
	(ii) Grants to ULBs	133.62	65.20	68.42	53.40
	(a) General Basic Grant	90.70	65.20	25.5	53.40
	(b) General Performance Grants	42.92	00	42.92	00
	Total (1)	548.80	357.98	190.82	177.42
(2)	Disaster Relief				
	(i) Disaster Relief Fund	456.42	478.83	-22.41	105.89
	(ii) Capacity Building	16.00	16.00	00	12.00
	Total (2)	472.42	494.83	-22.41	117.89

(3)	Improving Outcome Grants				
	(i) Improvement in supply of justice	81.76	38.22	43.54	20.41
	(ii) Incentive for Issuing UIDs	28.80	3.60	25.20	00
	(iii) District Innovation Fund	13.00	6.50	6.50	5.69
	(iv) Improvement of Statistical Systems of State and District Level	10.40	5.20	5.20	2.60
	(v) Employee and Pension Database	5.00	2.50	2.50	5.18
	Total (3)	138.96	56.02	82.94	33.88
(4)	Environment Related Grants				
	(i) Protection of Forests	154.08	128.40	25.68	127.35
	(ii) Water sector management	57.00	19.00	38	00
	Total (4)	211.08	147.40	63.68	127.35
(5)	Elementary Education	151.00	151.00	00	106.00
(6)	Roads and Bridges	235.00	149.00	86	149.00
(7)	State Specific Grants	535.50	170.30	365.20	58.96
	Grand Total (1 to 7)	2,292.76	1,526.53	766.23	770.50

Source- Finance Department State Government

From the above table, it is evident that the State was not able to receive full amount of the Grants recommended for the first four years. Major short release was noticed in State Specific Grant (68 per cent), Improving Outcome Grant (60 per cent), Road and Bridges (37 per cent), Local Bodies Grant (35 per cent) and Environment Related Grant (30 per cent). The reasons for short release of grants as reported by State Government were mainly due to non submission/ late submission of working plan/ D.P.R.s/U.C., non-compliance of condition applied by GOI and less expenditure from the projected Non-Plan Revenue Expenditure (NPRE) etc.

1.4 Capital receipts

The Capital receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in Government Companies/ Corporations and recoveries of loans and advances or debt capital receipts, credited under Public Debt section of the Consolidated Fund. The Public Debt receipts fall broadly under two categories (a) loans/ advances from the Union government and (b) borrowing from banks, financial institutions through negotiated loans or open market borrowings through issue of State Development Loans. The share of non-debt capital receipts and loans/ advances from the Union government is negligible and capital receipts are mainly borrowings from banks, financial institutions and the open market, as detailed in **Table 1.13**.

Table 1.13: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	1,748	2,512	2,427	3,396	4,108
Miscellaneous Capital Receipts	--	--	--	--	180
Recovery of Loans and Advances	65	85	91	428	55
Public Debt Receipts	1,683	2,427	2,336	2,968	3,873
Rate of growth of debt capital receipts (per cent)	9	44	(-)4	27	30
Rate of growth of non-debt capital receipts	20	31	7	370	(-)45
Rate of growth of GSDP	26.25	18.72	16.54	10.23	13.50
Rate of growth of CR (per cent)	9	44	- 8)	40	21

1.4.1 Recoveries of loans and advances

Recoveries from loans and advances showed an increasing trend over the period 2009-10 to 2012-13. However, in 2013-14 the repayment of Loans and Advances declined by ₹ 373 crore over the previous year due to less repayment (₹ 47 crore) by the Energy sector as compared to previous year (₹ 422 crore).

1.4.2 Debt receipts from internal sources

Debt receipts comprising Market loans, loans from financial institutions, *etc.* over the period 2009-10 to 2013-14 continued to be a source of receipts of the Government. Despite being a revenue surplus State coupled with comfortable cash balance, the government still resorted to obtaining of funds by way of internal borrowings.

1.4.3 Loans and advances from GOI

The State being a special category state, receives grants-in-aid and loans from GOI in the ratio of 90:10. Therefore, the State Government's outstanding liability on account of loans from GOI is only 2.08 *per cent* of its total Public Debt.

1.5 Public Account receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the public account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature. Trends of receipts and disbursement under various segments of public accounts are given in **Table 1.14**.

Table 1.14: Trends of Public Account Receipts and disbursement during 2012-13 and 2013-14

Source of State's Receipts	Public Account Receipts		Disbursement from Public Accounts		Excess of receipts over disbursements	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
a. Small Savings, Provident fund <i>etc.</i>	1,159.18	1,313.17	888.06	990.73	271.12	322.44
b. Reserve Funds	279.72	468.31	183.09	472.24	96.63	(-) 3.93
c. Deposits and Advances	2,359.47	3,086.84	2,140.68	2,735.10	218.79	351.74
d. Suspense and Miscellaneous	15,010.04	16,269.57	14,531.10	16,492.77	478.94	(-) 223.20
e. Remittances	3,117.04	4,816.69	3,218.31	4,499.49	(-)101.27	317.20
Total	21,925.45	25,954.58	20,961.24	25,190.33	964.21	764.25

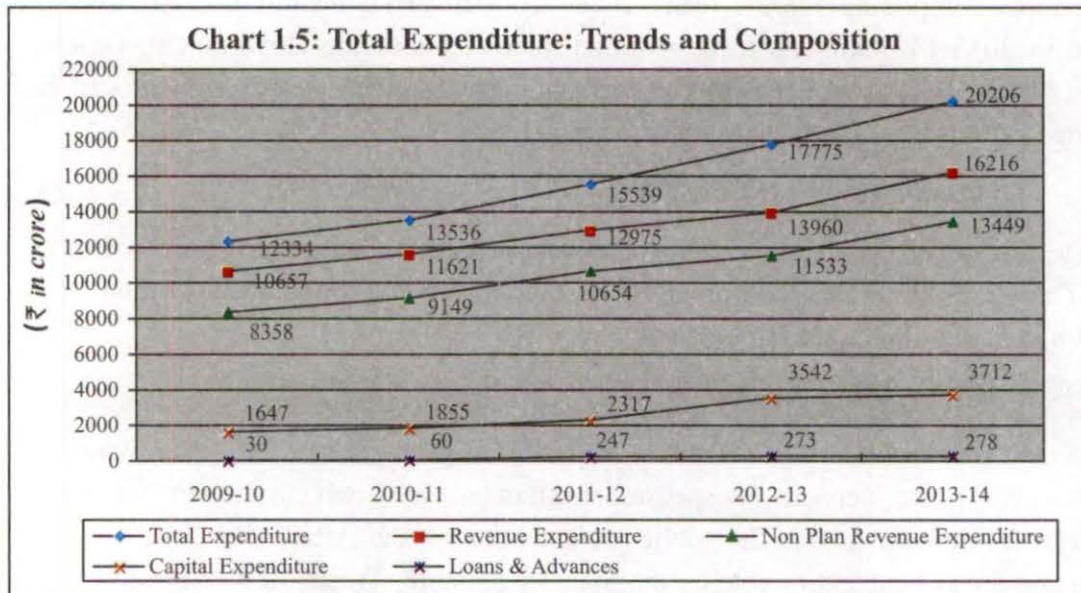
1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with the State Government. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of

expenditure, especially expenditure directed towards development and social sectors. Following is an analysis of allocation of expenditure in the State.

1.6.1 Growth and composition of expenditure

Chart 1.5 presents the trends in total expenditure over a period of five years (2009-10 to 2013-14) and its composition both in terms of 'economic classification' and 'expenditure by activities' are depicted in Chart 1.6.



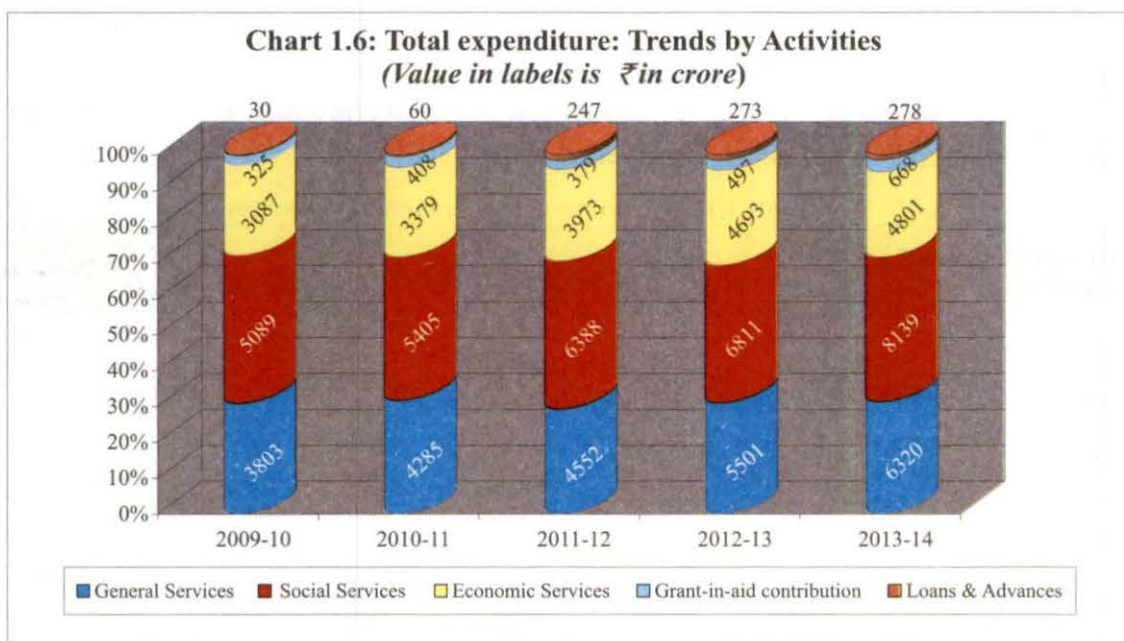
Total expenditure (TE) of the State increased at an average rate of 13.95 per cent per annum during 2009-14. An increase of ₹ 2,431 crore (13.68 per cent) in total expenditure during 2013-14 over the previous year was due to increase in revenue expenditure (RE) and capital expenditure (CE) by ₹ 2,256 crore and ₹ 170 crore respectively. The disbursement of loans and advances increased by only ₹ five crore.

Revenue expenditure (RE): The increase in RE (₹ 2,256 crore) during the current year was due to increase in expenditure towards (i) General Services (₹ 810 crore), (ii) grants-in-aid and contribution (₹ 171 crore), (iii) Social Services (₹ 1,202 crore) and (iv) Economic Services (₹ 73 crore).

Capital expenditure (CE): The increase in CE of ₹ 170 crore (4.80 per cent) during the year was due to increase in (i) Social Services (₹ 126 crore), (ii) Economic Services (₹ 35 crore) and (iii) General Services (₹ 9 crore). As per cent of TE, it showed a fluctuating trend over the period 2009-10 to 2013-14 which was 13.35 per cent in 2009-10 and 18.37 per cent in the year 2013-14. The CE showed an increasing trend during the period 2009-10 to 2013-14 and stood at

₹ 3,712 crore during the current year. The actual expenditure was, however, below the target set forth by the State Government in its Budget (₹ 4,874 crore) and MTFPS (₹ 5,266 crore).

The relative share of these components of expenditure, which had almost remained unchanged in the recent past (2009-12), has shown a turnaround during the current year on account of increased share of capital expenditure. The share of expenditure on General Services including interest payments, which is considered as non-developmental, remained almost identical during 2009-10 to 2013-14. Expenditure under Social Services has increased from 38 per cent in 2012-13 to 40 per cent in 2013-14. Economic Services showed little decrease by three per cent during 2013-14 over previous year.



Non-plan revenue expenditure (NPRE) of the State increased by ₹ 5,091 crore (60.91 per cent) from ₹ 8,358 crore in 2009-10 to ₹ 13,449 crore in 2013-14. During the current year, the increase in NPRE (₹ 1,916 crore) was mainly due to increase in expenditure under salaries (₹ 707 crore) and pension (₹ 765 crore).

The share of **plan revenue expenditure (PRE)** in the revenue expenditure of the State increased during 2009-11 but showed a decrease of ₹ 151 crore (6.11 per cent) during 2011-12 but increased by ₹ 106 crore (4.57 per cent) in 2012-13 and ₹ 340 crore (14.01 per cent) during current year over the previous year. Current year increase was mainly on account of Social Welfare and Nutrition (₹ 317 crore), Rural Development (₹ 23 crore), Transportation (₹ 14 crore) and General Economic Service (₹ 15 crore). This was partly counterbalanced by decrease in expenditure under Education, Sports, Art & Culture (₹ 23 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 43 crore). Further, **Table 1.15** depicts the details of actual NPRE with reference to projections made by the State Government at different stages during the year 2013-14.

Table 1.15: Actual NPRE vis-à-vis projections for 2013-14

(₹ in crore)

Non-Plan Revenue Expenditure (NPRE)	Assessment made by ThFC	Assessment made by State Government in		Actuals
		Budget	MTFPS	
	10,168	16,619	17,214	13,449

Source: Th FC Report, Annual Financial Report (GoUK) and Finance Accounts

During the current year, the NPRE (₹ 13,449 crore) exceeded the normative assessment made by the Th FC (₹ 10,168 crore) by ₹ 3,281 crore (32.27 per cent) but was lesser than the projections made by the State Government in its Budget (₹ 3,170 crore) and MTFPS (₹ 3,765 crore) respectively.

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. Table 1.16 present the trends in the expenditure on these components during 2009-14.

Table 1.16: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14		
					BE	Actuals	Percentage of variation
Salaries & Wages, of which	4,388 (46)	4,721 (41)	5,244 (40)	5,724 (41)	7,404	6,431	(-)13.14
Non-Plan Head	4,114	4,464	4,971	5,423		6,115	
Plan Head*	274	257	273	301		316	
Interest Payments	1,338 (14)	1,480 (13)	1,769 (14)	2,089 (15)	2,541	2,056	(-) 19.09
Expenditure on Pensions	1,047 (11)	1,142 (10)	1,135 (9)	1,366 (10)	1,990	2,131	(+) 7.09
Subsidies	42 (0.44)	44	220 (2)	163 (1)	--	24	(+) 100
Total Committed Expenditure	6,815	7,387	8,368 (64)	9,342 (67)	11,935	10,642	(-) 10.83
Other Components	1,543	1,762	2,286	2,191	4,684	2,807	(-)40.07
Total NPRE	8,358	9,149	10,654	11,533	16,619	13,449	(-) 19.07
Total Revenue Expdr.	10,657	11,621	12,975	13,960	18,054	16,216	(-)10.18
Revenue Receipts	9,486	11,608	13,691	15,747	18,956	17,321	(-) 8.62

Figures in the parentheses indicate percentage to revenue receipts

*Plan Head also includes the salaries and wages paid under centrally sponsored schemes

The committed expenditure which was 72 per cent of revenue receipts in 2009-10, decreased by 11 per cent during the current year and was 61 per cent of revenue receipts. However, it increased by ₹ 3,827 crore over the period 2009-14. There is a need to take steps to contain the committed expenditure as it leaves little scope for the government to spend more on developmental activities.

Salaries and Wages

The expenditure on salaries during the years 2010-11, 2011-12, 2012-13 and 2013-14 grew by 7.59 per cent, 11.08 per cent, 9.15 per cent and 12.35 per cent respectively. Salary expenditure during these four years was still higher than the Th FC projections. However, it was well below

the target fixed by the State Government in its Budget (₹ 7,404 crore) and MTFPS (₹ 7,156 crore) for the current year.

Th FC prescribed that expenditure under the head salaries should be 35 per cent of revenue expenditure net of interest payments and pensions while the actual expenditure on salaries accounted for around 53.46 per cent in the current year.

Pension Payments

The State Government estimated the pension liabilities on the historical growth rate of pension and not on actuarial basis. Expenditure on pension payments was ₹ 2,131 crore in 2013-14, which constituted 12.30 per cent of the revenue receipts. During the current year however it increased by 56 per cent over the previous year 2012-13. The pension payments during the current year were higher (₹ 669 crore) than the normative assessment (₹ 1,462 crore) made by *Th FC* for the current year (Annexure 7.7 of *Th FC* Report).

The State Government also introduced a contributory pension scheme for employees recruited on or after 1 October 2005 to mitigate the impact of rising pension liabilities in future.

Interest Payments

As shown in Table 1.16, interest payments decreased by 53.66 per cent during 2009-14 primarily on account of earlier borrowings. Interest payments during 2013-14 included interest on Internal Debt⁴ (₹ 1,535 crore), Small Savings, Provident Fund etc. (₹ 453 crore), other obligations (₹ 31 crore) and loans and advances from Government of India (₹ 37 crore). Interest payments (₹ 2,056 crore) during the current year were 11.87 per cent of RR, which were lower by ₹ 485 crore than the target set by the State Government in its Budget but higher by ₹ 148 crore than the normative assessment (₹ 1,908 crore) made by the *Th FC* for the current year. The interest payment was less by ₹ 190 crore than the target of ₹ 2,246 crore fixed in MTFPS.

Subsidies

In any welfare state, it is not uncommon to provide subsidies/ subventions to the disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government also fall in the category of implicit subsidies.

Finance Accounts (Appendix III) showed an explicit subsidy of ₹ 42.45 crore (2009-10), ₹ 43.49 crore (2010-11), ₹ 219.67 crore (2011-12), ₹ 163.23 crore (2012-13) and ₹ 23.63 crore (2013-14) during the last five years.

The amount of subsidy given during the year showed a decrease of ₹ 139 crore (85.28 per cent) as compared to the previous year. The decrease was mainly on account of Nil subsidy given to the Food Department as compared to previous year (₹ 128.77 crore).

⁴ Refer glossary in Appendix 4.1

1.6.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants to local bodies and other institutions during the current year relative to previous years is presented in **Table 1.17**.

Table 1.17: Financial Assistance to Local Bodies etc. (₹ in crore)

Financial Assistance to Institutions	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	ACTUAL
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	267.99	488.49	403.45	501.83	603.23	431.05
Municipal Corporations and Municipalities	122.47	154.72	175.76	306.28	382.24	321.19
Zila Parishads and Other Panchayati Raj Institutions	202.25	252.96	203.04	190.59	345.42	347.21
Development Agencies	571.47	526.00	409.35	480.80	652.71	562.37
Hospitals and Other Charitable Institutions	44.52	71.23	86.98	134.78	112.51	108.99
Energy (Non-conventional source of energy)	24.39	7.50	6.32	12.89	5.94	6.88
Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation	98.62	151.15	205.54	79.71	212.50	111.16
Co-operatives	13.22	9.56	7.30	9.75	17.07	11.83
Animal Husbandry, Dairy Development and Fisheries	14.79	13.16	8.65	8.75	12.11	10.43
Secretariat Economics Services & Tourism	11.43	18.43	29.34	36.28	61.90	49.33
Social Security & Welfare of Scheduled Caste, Scheduled Tribe & Other Backward Classes	133.65	97.46	211.10	254.31	262.70	285.85
Other Institutions	371.24	131.61	31.12	115.75	187.99	80.27
Total	1,876.04	1,922.27	1,777.95	2,131.72	2,856.32	2,326.56
Assistance as per percentage of RE	17.60	16.54	13.70	15.27	15.82	14.35

Source: V.L.C. data of Accountant General (A&E), Uttarakhand

The total assistance to local bodies and other institutions declined by ₹ 144 crore (7.51 per cent) in the year 2011-12 in comparison to 2010-11. However, the assistance during the year 2012-13 increased by ₹ 354 crore (19.90 per cent). During the year 2013-14 it again increased by ₹ 195 crore (9.14 per cent) over the previous year. Educational institutions and development agencies together accounted for 43 per cent of the total financial assistance during the current year.

The increase in assistance during the year was mainly under Urban Local Bodies and PRIs (₹ 172 crore), and Development Agencies (₹ 82 crore) which was partially counter balanced by decrease in assistance to Educational Institutions (₹ 71 crore).

1.7 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of Public expenditure

Table 1.18 analyses the fiscal priorities of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) during the current year.

Table 1.18: Fiscal Priority of the State during 2009-10 and 2013-14 (in per cent)

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	CE/AE
Uttarakhand's Average (Ratio) 2009-10	17.44	66.52	41.26	13.35
Uttarakhand's Average (Ratio) 2013-14	16.50	65.41	40.28	18.37

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure
 # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.
 Source: (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics (Appendix-1.2 Part A).

Fiscal priority refers to the priority given to a particular category of expenditure by the State. A comparative study of expenditure in 2013-14 with that in 2009-10 showed the following:

- The Government's aggregate expenditure as a proportion of GSDP in 2013-14 in comparison to 2009-10 was lesser only by 0.94 per cent.
- Development expenditure (DE) as a proportion of aggregate expenditure (AE) in 2013-14 in comparison to 2009-10 was lesser by 1.11 per cent.
- Social sector expenditure as a proportion of AE was lesser by 0.98 per cent.
- The proportion of capital expenditure (CE) in AE increased by 5.02 per cent.

1.7.2 Efficiency of expenditure

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁵. Apart from improving the allocation towards development expenditure⁶, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.19** presents the trends in development expenditure relative to the aggregate expenditure of the State both during the current year and the previous years *vis-à-vis* allocations, **Table 1.20** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

⁵ Refer the glossary in **Appendix 4.1**

⁶ Refer the glossary in **Appendix 4.1**

The share of developmental revenue expenditure in the total expenditure showed an inter-year variation during the period 2009-14 and remained on an average 50 per cent during the period. During the current year 2013-14, it showed an increase of 15.76 per cent over previous year. The share of developmental capital expenditure also showed inter-year variations but continued to show increasing trend from 2009-10 to 2012-13. However, it decreased by one per cent during 2013-14. It increased by ₹ 161 crore during the year 2013-14 as compared to 2012-13 in absolute terms. The overall development expenditure increased by 61 per cent over the period 2009-10 to 2013-14.

Table 1.19: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Development Expenditure (a to c)	8,205 (66)	8,842 (65)	10,607 (68)	11,776 (66)	8,553	13,216 (65)
(a) Development Revenue Expenditure	6,638 (54)	7,033 (52)	8,121 (52)	8,091 (45)	3,617	9,366 (46)
(b) Development Capital Expenditure	1,538 (12)	1,750 (13)	2,240 (14)	3,413 (19)	4,720	3,574 (18)
(c) Development Loans and Advances	29 (0.23)	59 (0.44)	246 (2)	272 (2)	216	276 (1)

Figures in parentheses indicate percentage to aggregate expenditure

Table 1.20: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2012-13			2013-14		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O&M		S&W	O & M
Social Services (SS) expenditure on major components						
General Education	1.04	19.19	0.004	0.76	18.21	0.005
Health and Family Welfare	0.78	4.02	0.039	0.73	4.01	0.040
WS, Sanitation, & HUD	1.51	0.045	0.012	1.40	0.05	0.010
Total expenditure under SS	4.02	24.42	0.066	4.16	23.40	0.082
Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	3.05	3.58	0.230	2.96	3.48	0.184
Irrigation and Flood Control	2.18	1.53	0.244	2.28	1.40	0.179
Power & Energy	2.90	--	--	1.27	0.0004	--
Transport	5.45	0.099	0.541	5.21	0.099	0.167
Total expenditure under ES	15.18	6.56	1.015	18.37	6.42	0.541
Total expenditure under SS & ES	19.20	30.98	1.081	22.53	29.82	0.623

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance

Though, no specific norms regarding prioritisation of capital expenditure have been laid in the FRBM Act, the State Government in its Medium Term Fiscal Policy presented to the State Legislature along with the Budget 2013-14, has committed itself in line with the recommendations of the *Th FC*, which advocate that the fiscal deficit shall be three per cent of the GSDP in the year 2013-14. For this the State Government has to borrow less, and therefore, there would be less funds available to capitalise in near future. However, during the 2013-14 fiscal, the Government managed to capitalise only five per cent more funds as compared to the year 2012-13.

During 2013-14, salaries and wages, as a percentage of revenue expenditure on both Social and Economic Services, remained almost stagnant. The expenditure under Operation & Maintenance as a percentage of revenue expenditure has decreased in Economic Services during the current year over the previous year.

1.8 Analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels, but also meet its requirements under capital expenditure and investments including loans and advances. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies, and take requisite steps to infuse transparency in its financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2014 is given in **Table 1.21**.

Table 1.21: Department-wise Profile of Incomplete Projects (₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted cost	*Revised Total cost of Projects	Cost Over Runs in Revised Estimates	Cumulative actual exp. as on 31.3.2014
Public Works Department	96	449.57	491.30	41.73	265.61
* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2014					

Source: Finance Accounts

1.8.2 Investment and returns

As on 31 March 2014, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.22**) was negligible *i.e.* less than one *per cent* of the investment in the last five years while the Government paid an average interest rate of 7.78 *per cent* on its borrowings during 2009-10 to 2013-14.

Table 1.22: Returns on Investment

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)	1,240	1,296	1,338	2,397 [*]	2,677
Return (Dividend/ interest) (₹ in crore)	0.07	0.21	0.05	0.19	0.30
Return (<i>per cent</i>)	0.01	0.02	* ⁷	0.01	0.01
Average rate of interest on Government borrowing (<i>per cent</i>)	7.64	7.34	7.83	8.50	7.57
Difference between interest rate and return (<i>per cent</i>)	7.63	7.32	7.83	8.49	7.56

*figure differs from previous year's figure due to *pro forma* correction made by AG (A&E) office

Source: Finance Accounts

⁷ Not computable

In this context, no norms on investment and returns have been prescribed by the State Government. Thus, there is a need to formulate norms and identify the projects with low financial but high socio-economic returns.

The major investment were in (i) Uttarakhand Power Corporation, Ltd. (₹ 969 crore) and (ii) Uttarakhand Jal Vidyut Nigam, Ltd. (₹ 624 crore). The Uttarakhand Power Corporation Ltd. had incurred accumulated loss of ₹ 2,003 crore and Uttarakhand Jal Vidyut Nigam, Limited has an accumulated profit of ₹ 243 crore as per their latest finalised accounts for the year 2012-13.

1.8.3 Investment in PPP projects

The concept of Public Private Partnership (PPP) has evolved for meeting rising demands of the people for adequate and qualitative infrastructure. The PPP Cell established in 2008 in the Planning Department of the State Government, is the nodal agency to coordinate all efforts of the State Government regarding development of infrastructure sector involving PPPs.

1.8.3.1 Status of PPP Projects

As per the information furnished (July 2014) by the PPP Cell, 123 projects involving ₹ 5,134.54 crore have been taken up during 2007-2014 in the State under different sectors. Of these, 28 projects (₹ 895.65 crore) were under implementation, which includes eight completed projects (₹ 87.87 crore) as on 31 March 2014 (*Appendix 1.6*). Thirty eight projects were under bidding (₹ 1,812 crore) (*Appendix 1.7*) and 57 were in pipeline (₹ 2,426.89 crore) at the end of March 2014 (*Appendix 1.8*). Besides, 19 projects (₹ 1,166.32 crore) were cancelled due to various reasons such as nodal departments not being interested to proceed further (*Appendix 1.9*). Sector wise details of PPP projects under implementation, under bidding and in pipeline are given in **Table 1.23**.

Table 1.23: Sector wise details of PPP projects

(₹ in crore)

Sector	Total No. of Projects	Total Value of Projects	Under Implementation	Cost of Under Implementation	Under Bidding	Cost under bidding	Pipeline	Cost of Pipeline	Cancelled	Cost of Cancelled projects
Energy	15	802.49	2	117.50	9	570.57	4	114.42	1	13.04
Tourism	25	1,949.80	5	400.00	9	904.80	11	645.00	3	5.00
Transport	9	175.14	3	44.40	1	2.00	5	128.74	0	00
Agriculture	9	68.26	0	0	2	67.26	7	1.00	3	00
Social	47	1,045.67	13	244.80	16	266.41	18	534.46	2	5.00
IT	0	00	0	00	0	00	0	00	2	00
Roads	4	214.00	1	26.00	0	00	3	188.00	1	700.00
Urban	10	104.81	4	62.95	1	0.96	5	40.90	7	443.28
Sports	2	16.00	0	00	0	00	2	16.00	0	00
Water	2	758.37	0	00	0	00	2	758.37	0	00
Total	123	5,134.54	28	895.65	38	1,812.00	57	2,426.89	19	1,166.32

As per information provided by the PPP Cell, eight projects under social, transport and tourism were taken up and completed up to March 2014, creating assets of ₹ 87.87 crore. Of these completed projects, one social sector project⁸ costing ₹ five crore was handed over to Government during 2013-14.

1.8.4 Departmentally Managed Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmentally managed undertakings of certain government departments. The department-wise position of the investments made by the Government up to the year for which *proforma* accounts are finalized, net profit/ loss as well as return on capital invested in these undertakings are given in **Appendix 1.10**. It was observed from the finalized accounts of three companies that:

- An amount of ₹ 1.92 crore had been invested by the State Government in Government Irrigation Workshop, Roorkee, up to 2011-12.
- Out of a total of three undertakings *viz*; Irrigation Workshop, Roorkee; Regional Food Controllers, Haldwani and Dehradun, only Irrigation Workshop had finalised their accounts up to 2011-12. It was a profit earning entity up to 2007-08 but has been posting net losses thereafter.

1.8.5 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.24** presents the outstanding loans and advances as on 31 March 2014, and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.24: Average interest received on loans advanced by the State Government (₹ in crore)

Amount of Loans/Interest Receipts/ Cost of Borrowings	2011-12	2012-13	2013-14	
			BE	Actual
Opening Balance	717.90	874.08	--	718.21
Amount advanced during the year	246.83	272.57	248.66	277.99
Amount repaid during the year	90.65	428.44	684.59	55.23
Closing Balance	874.08	718.21	--	940.97
Net addition	(+) 156.18	(-) 155.87		222.76
Interest Receipts	0.62	1.61		3.72
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.07	0.22		0.40
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.49	8.18		7.15
Difference between interest payments and interest receipts (<i>per cent</i>)	7.42	7.96		6.75
Outstanding balance for which terms and conditions have been settled	Information not made available by the State Government			

Source: Finance Accounts and Annual Financial Statement (Government of Uttarakhand)

⁸ O&M of MRI machine at Doon Hospital, Dehradun

During 2013-14, the Government advanced loans of ₹ 278 crore against ₹ 273 crore in 2012-13, a nominal increase of ₹ five crore over the previous year. Recoveries of loans and advances showed a decrease of ₹ 373 crore over the previous year.

Interest receipts, as a percentage of outstanding loans and advances have shown marginal appreciation during the current year as compared to previous years. Average rate of interest on which the State Government raised market loans was 7.15 per cent during 2013-14 while the interest received (return) on loans and advances given to various institutions, Corporations/ Government Companies and Government servants, etc. by the State was only 0.40 per cent as against the target of seven per cent by 2009-10 fixed by the Twelfth Finance Commission.

The total loans advanced by the Government as on 31 March 2014 stood at ₹ 941 crore. The major beneficiaries were Agriculture (₹ 661 crore), Transport (₹ 135 crore) and Energy sectors (₹ 82 crore).

1.8.6 Cash balances and investment of cash balances

Table 1.25 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.25: Cash Balances and Investments out of Cash balances (₹ in crore)

Particulars	As on 1 st April 2013	As on 31 st March 2014
General Cash Balance(a)		
Cash in Treasuries and local Remittances	00	00
Deposits with Reserve Bank	(-) 5.21	558.31
Deposits with other Banks(B)	00	00
Total	(-) 5.21	558.31
Investments held in Cash Balance investment account	875.15	799.50
Total (a)	869.94	1,357.81
(b) Other Cash Balances and Investments		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-) 2.15	(-) 2.15
Permanent advances for contingent expenditure with departmental officers	(-) 0.87	(-) 0.87
Investments of earmarked funds	1,078.62	1,078.62
Total (b)	1,075.60	1,075.60
Grand Total (a) + (b)	1,945.54	2,433.41

Source: Finance Accounts

The closing cash balance (CB) at the end of the current year (₹ 2,433.41 crore) increased by ₹ 487.87 crore over the previous year (₹ 1,945.54 crore).

The State Government had created an earmarked fund of ₹ 1,078.62 crore from CB. The same amount was invested from the earmarked fund in GOI securities and earned an interest of ₹ 35.09 crore during 2013-14. The interest realised on cash balance was 1.87 per cent during 2013-14 while Government paid interest at the average rate of 7.57 per cent on its borrowings during the year. The Government did not resort to overdraft facility and was able to maintain a minimum cash balance of ₹ 0.16 crore for maximum number of days during 2013-14. However, temporary imbalances in cash flow forced the Government to obtain Ways and Means Advances

(WMA) on 16 (ordinary and special) occasions during the year. The State had to pay ₹ 0.09 crore as interest on WMA during the year 2013-14.

There was a credit balance of ₹ 56.68 crore lying under the minor head Treasury Cheques below the major head 'Cheques and Bills' at the end of financial year 2013-14.

In view of the comfortable position of cash balances, revenue surplus of ₹ 1,105 crore and a low fiscal deficit of 2.16 per cent of GSDP, the open market borrowings could be restricted to ₹ 2,500 crore against the budgeted target of ₹ 3,200 crore.

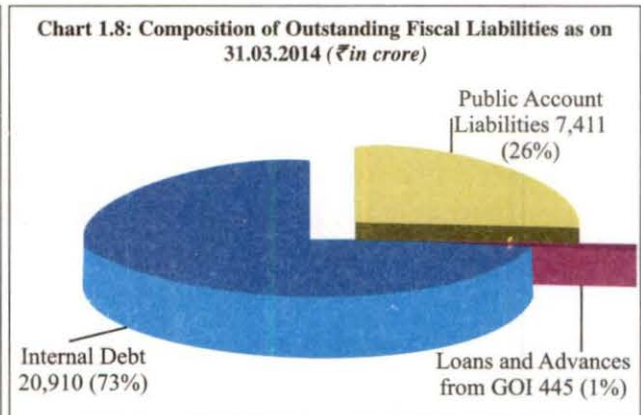
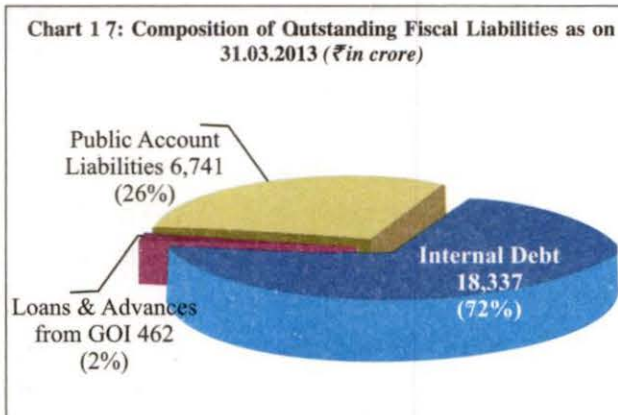
1.9 Assets and Liabilities

1.9.1 Growth and composition of assets and liabilities

In the existing government accounting system, comprehensive accounting of fixed assets such as land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 (Part-B)** gives an abstract of such liabilities and the assets as on 31 March 2014, compared with the corresponding position as on 31 March 2013. While the liabilities in this Appendix consists mainly of internal borrowings, loans and advances from GOI, receipts in the public account and reserve funds, the assets comprise mainly of capital outlay, loans and advances given by the State Government, and cash balances.

1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3; Appendix 1.4 & Statement 6** of the State Finance Accounts. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Charts 1.7 and 1.8**.



The debt-GSDP ratio for the year of 2013-14 (23.50 per cent) nominally appreciated by 0.19 per cent in comparison to previous year's ratio (23.68 per cent). The ratio remained well below the normative assessment of *Th FC* (38.50 per cent) for the year. The overall fiscal liabilities increased by 53.44 per cent from ₹ 18,748 crore in 2009-10 to ₹ 28,767 crore in 2013-14. The State liabilities which stood at ₹ 28,767 crore at the end of 2013-14 were composed of public debt (₹ 21,355 crore), Small Savings and Provident Fund, etc., (₹ 5,043 crore), and other obligations (₹ 2,369 crore). The increase in the fiscal liabilities (₹ 3,227 crore) at the end of the current year as compared to the previous year was mainly on account of Internal Debt,

and Small Savings, Provident Fund, etc. which rose by ₹ 2,573 crore and ₹ 322 crore respectively. Fiscal liabilities grew over the years; it rose by 12.64 per cent in 2013-14 over the previous year. The buoyancy of these liabilities with respect to GSDP during the year was 0.94 indicating that for each percentage point increase in GSDP, fiscal liabilities grew by 0.94 per cent. These liabilities stood at 1.66 times State's revenue receipts and 3.32 times its own resources. The sinking fund is in operation since the inception of the State (revised in September 2006) for amortisation of outstanding liabilities of the Government and the State has to contribute at the rate of 0.5 per cent of outstanding liabilities at the end of the previous year. The State Government has made no contribution towards the fund during the current year which comes to ₹ 127.70 crore.

1.9.3 Transactions under Reserve Funds

Closing balance in the Reserve Fund as on 31 March 2014 was ₹ 1,224 crore (Credit). Out of this, reserve fund bearing interest held ₹ 67 crore (credit) and the share of these funds not bearing interest was ₹ 1,157 crore (credit). The major heads of account being operated were 8115-Depreciation/ Renewal Reserve fund (RRF) (₹ 0.01 crore) and 8121-General and Other Reserve Funds (₹ 67.41 crore) under which a State Disaster Response Fund has been created. As for reserve funds not bearing interest (₹ 1,157 crore) (credit), heads of Account 8222-Sinking Funds (₹ 1,128 crore), 8229-Development and Welfare Funds (₹ four crore) and 8235-General and Reserve Funds (₹ 25 crore) had been operated.

Consolidated Sinking Fund: In terms of the recommendations of the Twelfth Finance Commission, the State Government constituted a revised scheme for constitution and administration of the Consolidated Sinking Fund in 2006 for redeeming its outstanding liabilities (internal debt and public account liabilities of the State Government). The Fund is administered by the Reserve Bank of India (RBI) subject to such directions/ instructions as the Government may issue from time to time. The Government pays to the RBI, a commission at the rate of 1/8 per cent of one per cent on the turnover of the Fund or at the rate to be mutually decided from time to time. In the year 2013-14, no amount has been appropriated from the Consolidated Fund of the State to the Sinking Fund, in contravention of the provision of sinking fund scheme. Consequently, the Revenue Surplus of the State Government has been over stated to the extent of ₹ 127.70 crore. The total accumulations at the end of 2013-14 stood at ₹ 1,128 crore. Out of the total accumulation in the Fund, an amount of ₹ 1,054 crore was invested by the Reserve Bank of India.

State Disaster Response Fund (SDRF): The erstwhile Calamity Relief Fund has been replaced by the State Disaster Response Fund (SDRF) as recommended by the *Th FC*. In terms of the guidelines of the Fund, the Central and Special Category State Governments like Uttarakhand are required to contribute to the fund in the proportion of 90:10.

The balance in the fund at the beginning of 2013-14 was ₹ 36.85 crore. During 2013-14, an amount of ₹ 465.71 crore (SDRF ₹ 136.21 crore- comprising of ₹ 122.59 crore as central share and ₹ 13.62 crore as State share and NDRF ₹ 329.50 crore) has been appropriated from the Consolidated Funds to SDRF. An amount of ₹ 435.15 crore has been expended from the Fund

leaving a credit balance of ₹ 67.41 crore. Total receipts from the Government of India towards SDRF during the year 2013-14 was to the tune of ₹ 149 crore (₹ 26.35 crore, ₹ 122.59 crore, ₹ 0.06 crore for the years 2012-13, 2013-14 and 2014-15 respectively).

1.9.4 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

No law under Article 293 of the Constitution had been enacted by the State Legislature fixing the maximum limit within which the Government could give guarantees on the security of the Consolidated Fund of the State. The FRBM Act, 2005 prescribed that the State Government shall not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government existing at the time of the coming into force of the Act or any rule or to be made by the State Government subsequent to coming into force of the Act. However, the State Government has so far not enacted any law to cap the guarantees.

As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years are given in **Table 1.26**.

Table 1.26: Guarantees given by the Government of Uttarakhand (₹ in crore)

Guarantees	2011-12	2012-13	2013-14
Outstanding amount of guarantees	1,739	1,570	1,475
Percentage of amount guaranteed to total revenue receipts	12.70	9.97	8.52

Source: Finance Accounts

The amount of guarantees outstanding as on 31 March 2014 is ₹ 1,475 crore which comprises of Power Sector (₹ 902 crore), Co-operatives (₹ 550 crore) and Urban Development and Housing (₹ 16 crore). The Government has not invoked any guarantee during the year.

The Government has constituted a “Guarantee Redemption Fund” for discharge of invoked guarantees with a corpus of ₹ 25 crore. Neither any amount has been appropriated nor withdrawn from the Fund during the year 2013-14.

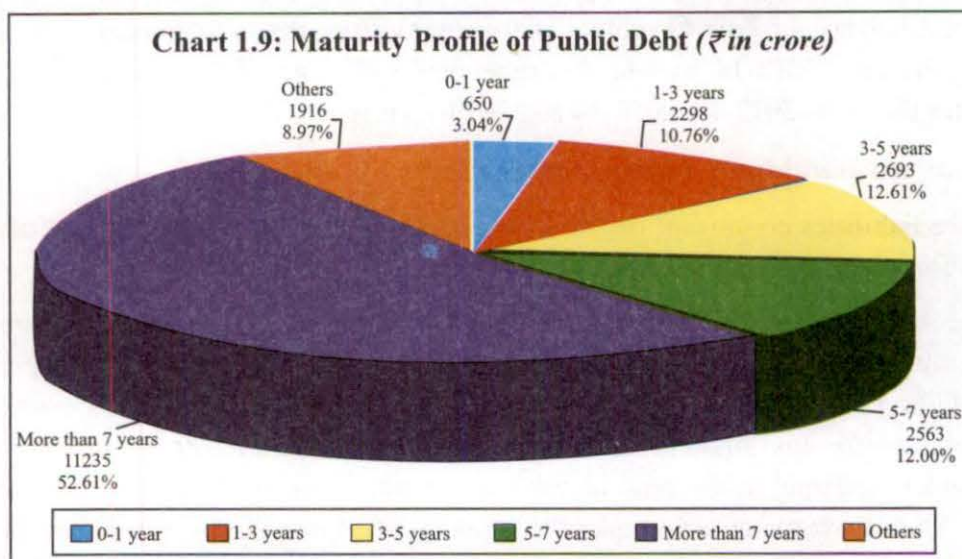
1.10 Debt Management

(i) Debt Profile

The maturity profile of the State's outstanding loans and advances (public debt) is given in **Table 1.27** and **Chart 1.9**.

Table 1.27: Maturity Profile of Public Debt (₹ in crore)

Maturity profile	Amount	Percentage to total Public Debt
0-1 year	650	3.041
1-3 years	2,298	10.763
3-5 years	2,693	12.609
5-7 years	2,563	12.001
More than 7 years	11,235	52.612
Other (information not made available by the State Government)	1,916	8.974
Total	21,355	100



Source: Finance Accounts

As there was fiscal deficit in last five years, the Government had to borrow to meet its committed expenditure obligations. The maturity profile of outstanding stock of public debt as on 31 March 2014 shows that 52.61 per cent of the Public Debt was in the maturity bucket of seven years and above.

(ii) Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation; sufficiency of non-debt receipts; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.28** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2011-12.

Table 1.28: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability ⁹	2011-12	2012-13	2013-14
Debt Stabilization ¹⁰ (Quantum Spread + Primary Deficit)	(+) 1,811	(+)2,164	(+) 1,112
Sufficiency of Non-debt Receipts (Resource Gap) ¹¹	(+) 86	(+)157	(-) 1,050
Net Availability of Borrowed Funds ¹²	308	5	1,301
Burden of Interest Payments (IP/RR Ratio)	12.92	13.27	11.87

The trends in **Table 1.28** indicate that the quantum spread together with primary deficit was positive during the period 2011-12 to 2013-14 but also showed a decrease during 2013-14. It stood at ₹ 1,112 crore at the end of 2013-14. The debt-GSDP ratio which was 24.13 per cent in 2011-12, has come down to 23.50 per cent during the current year. At 23.50 per cent, the debt-GSDP ratio was well below the target (38.50 per cent) set forth by *Th FC* for the year 2013-14 in respect of Uttarakhand.

⁹ Refer glossary in **Appendix 4.1**.

¹⁰ Refer glossary in **Appendix 4.1**.

¹¹ Refer glossary in **Appendix 4.1**.

¹² Refer glossary in **Appendix 4.1**.

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure termed as resource gap. The debt sustainability could be significantly facilitated if the incremental non-debt receipts¹³ could meet the incremental interest burden and the incremental primary expenditure. A positive resource gap strengthens the capacity of State to sustain the debt. **Table 1.28** indicates resource gap as defined for the period 2011-14.

The State experienced positive resource gap during 2010-11 to 2012-13, which in turn brought down the revenue deficit to almost nil (₹ 13 crore) in 2010-11 and the State attained a revenue surplus of ₹ 716 crore and ₹ 1,787 crore during the years 2011-12 and 2012-13 respectively. During the current year (2013-14) the positive resource gap turned into negative (- ₹ 1,050 crore) reducing the revenue surplus to ₹ 1,105 crore by ₹ 682 crore. The fiscal deficit (₹ 1,757 crore) was brought down to reasonable limits during 2011-12 which further came down to ₹ 1,600 crore during the year 2012-13 (1.48 per cent of the GSDP) but it increased to ₹ 2,650 crore during 2013-14 (2.16 per cent of GSDP).

Debt redemption had remained on the higher side during the period 2008-10 and slightly improved during the year 2010-11 (0.83) indicating the fact that the borrowed funds are being increasingly used for the repayments towards the discharge of past debt obligations during the period (*Appendix 1.3*). However, it again showed an upward trend in 2011-12 and 2012-13 but declined during 2013-14 to 0.82. Therefore, no funds were available for capitalization of funds/ productive expenditure after paying principal and interest from borrowed funds during the year 2012-13.

1.10.1 Market Borrowings

Position of Market Borrowing (MB)

Table 1.29 represents the position of the market borrowings of the State Government for the period 2009-14:

Table 1.29: Position of market borrowings of the State Government (₹ in crore)

Years	Opening balance as on 1 st April	Receipts during the year	Payments during the year	Closing balance as on 31 st March	Increase (+)/ decrease (-) during the year	
					Amount	Per cent
2009-10	5,885.10	600.00	139.54	6,345.57	460.62	7.82
2010-11	6,345.53	991.52	102.00	7,235.05	889.52	14.02
2011-12	7,235.05	1,400.00	240.73	8,394.32	1,159.27	16.02
2012-13	8,394.32	1,750.00	949.87	9,194.45	800.13	9.53
2013-14	9,194.45	2,500.00	763.89	10,930.56	1,736.11	18.88
Total		7,241.52	2,196.03			

Source: Finance Accounts of concerned years

¹³ Refer glossary in **Appendix 4.1**.

The above table indicates that the Government of Uttarakhand borrowed and repaid ₹ 7,241.52 crore and ₹ 2,196.03 crore respectively during the period 2009-10 to 2013-14. During 2009-14, the repayment was 30.33 *per cent* of total loans raised by the State Government (₹ 7,241.52 crore). The interest paid on these loans rose from ₹ 459 crore in 2009-10 to ₹ 715 crore in 2013-14 at weighted average interest rate of 7.64 *per cent* in 2009-10 to 7.57 *per cent* in 2013-14. Slow pace of repayment will increase the need of rollovers in coming years. The maturity pressure of existing Market Borrowings on the Government would also be considerable. The above table also shows that the Market Borrowings have an increasing trend from 2009-10 onwards. The receipts during this period showed nearly four times increase from 2009-10 to 2013-14. This indicated continued dependency of the State Government on borrowed funds.

Violation of provision of FRBM Act

Section 4(d) of FRBM Act, 2005 stipulates that borrowings are to be used on self-sustained development activities, and creation or augmentation of capital assets, and are not to be applied in financing current expenditure. The Government, in each tranche of loan, notified the object that the proceeds of loans will be utilised for financing development schemes, particularly those relating to Power, Agriculture, Irrigation, Transportation and Industries for the benefit, especially, of weaker sections and backward areas of the State. Government raised market loans with the above object are given in **Table 1.30**.

Table 1.30: Details of Market Loans raised and repayments made by the government during 2009-14

(₹ in crore)

Year	Amount of market borrowing				
	Raised	For the purpose of repayment		For the purpose of capital expenditure	
		Amount	<i>per cent</i>	Amount	<i>per cent</i>
2009-10	600.00	139.53	23.26	460.47	76.74
2010-11	991.52	102.00	10.29	889.52	89.71
2011-12	1,400.00	240.73	17.20	1159.27	82.80
2012-13	1,750.00	950.00	54.29	800.00	45.71
2013-14	2,500.00	764.00	30.56	1,736.00	69.44

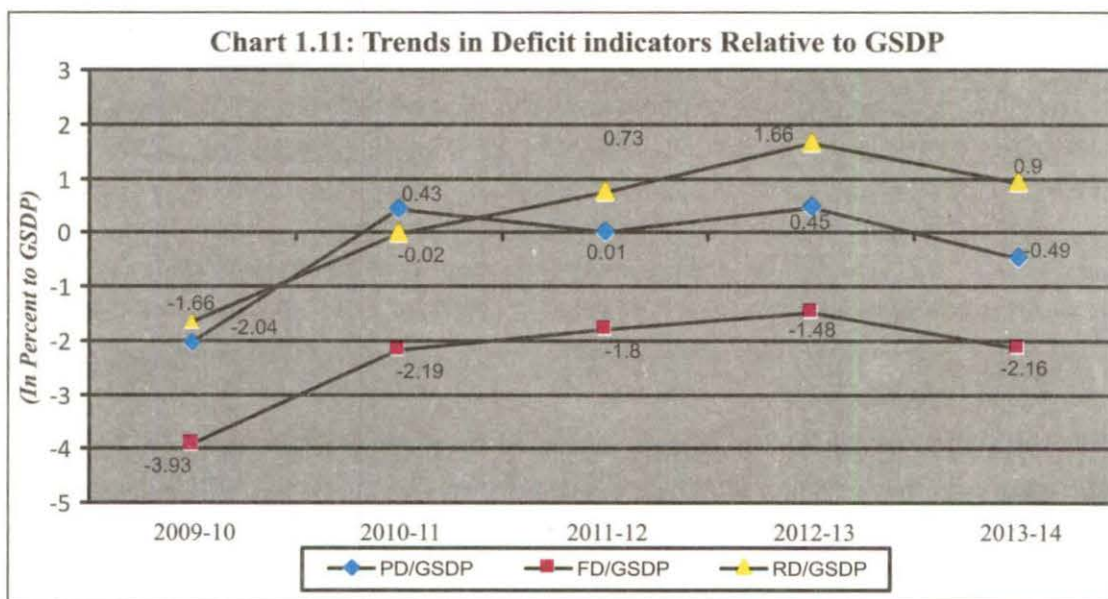
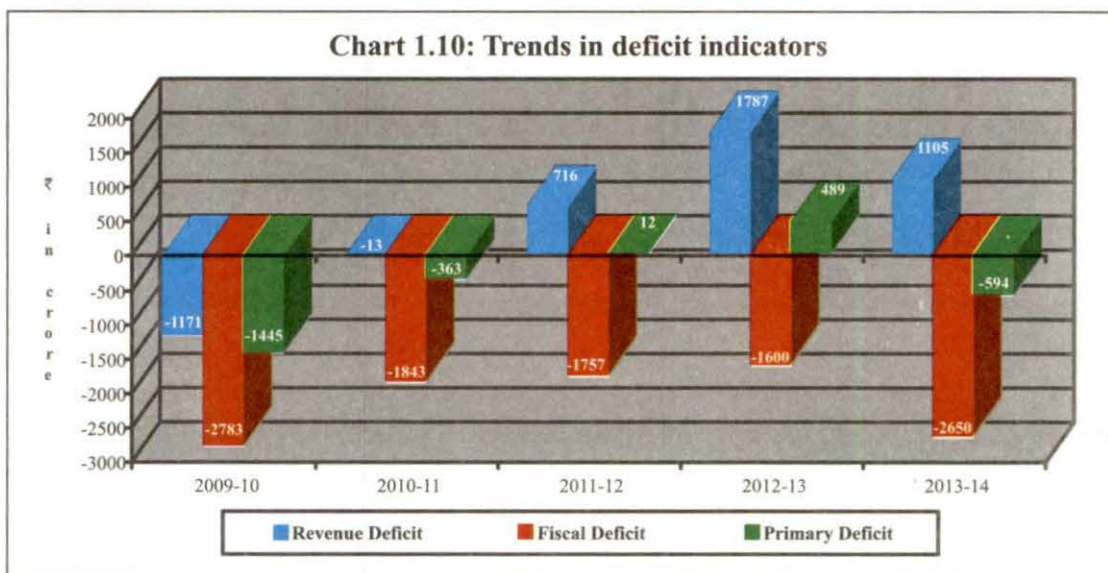
The above table indicates that the Government utilised on an average 27 *per cent* of the fresh borrowings (2009-10 to 2013-14) for making re-payments of matured market loans whereas on an average 73 *per cent* were applied for capital expenditure in the respective years. The payment of matured market loans from fresh loans was against the provisions of FRBM Act, besides defeating the very objective for these loans.

1.11 Fiscal Imbalances

1.11.1 Trends in Deficits

Three key fiscal parameters—revenue, fiscal and primary deficits—indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature

of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2013-14. **Charts 1.10** and **1.11** present the trends in deficit indicators over the period 2009-10 to 2013-14.



The State experienced a revenue deficit during 2009-10 mainly on account of implementation of Sixth Central Pay Commission recommendations. However, the State was able to bring down the revenue deficit to almost nil (₹ 13 crore) during the year 2010-11 and attained a surplus of ₹ 716 crore during 2011-12 which rose to ₹ 1,787 crore in 2012-13. During the current year the State also maintained revenue surplus which stood at ₹ 1,105 crore during 2013-14. However, it was less by ₹ 682 crore in comparison to previous year.

The fiscal deficit had been reduced during 2010-11 and was 2.19 per cent of GSDP below the four per cent target set forth in FRBM Act 2005. The continued efforts of the Government towards fiscal consolidation resulted in the decline in Fiscal deficit in 2011-12 and 2012-13 also. However, fiscal deficit increased by ₹ 1,050 crore during 2013-14 and was ₹ 2,650 crore. Fiscal deficit at ₹ 2,650 crore is currently pegged at 2.16 per cent of the GSDP and it is within the target of three per cent set forth by the *Th FC* in this regard.

The primary deficit had taken a quantum jump in 2009-10 (₹ 1,445 crore), came down (₹ 363 crore) during the year 2010-11 and turned positive during the year 2011-12. It continued to be positive during the year 2012-13 also but it turned into negative during 2013-14 and stood at ₹ 594 crore at the end of the current year.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.31.

Table 1.31: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Components of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus(+)	(-),1,171	(-),13	(+),716	(+),1,787	(+),1,105
2	Net Capital Expenditure	(-),1,647	(-),1,855	(-),2,317	(-),3,542	(-),3,532
3	Net Loans and Advances	(+),35	(+),25	(-),156	(+),155	(-),223
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	460	890	1,159	800	1,736
2	Loans from GoI	(-),5	16	20	6	(-),16
3	Special Securities Issued to NSSF	672	921	332	505	545
4	Loans from Financial Institutions	70	182	131	215	291
5	Small Savings, PF etc.	1,066	870	626	271	322
6	Deposits and Advances	229	46	33	219	352
7	Suspense and Misc.	722	(-),331	(-),412	479	(-),223
8	Remittances	(-),129	(-),303	(-),466	(-),101	317
9	Others	(-),6	242	190	66	(-),186
10	Overall Surplus/Deficit (Cash Balance)	(-),296	(-),690	144	(-),860	(-),488
11	Gross Fiscal Deficit	2,783	1,843	1,757	1,600	2,650

Source: Finance Accounts of Government of Uttarakhand, 2013-14

The fiscal deficit (₹ 2,650 crore) was largely managed by market borrowings (₹ 1,736 crore) and Special Securities issued to National Small Savings Fund (₹ 545 crore). Although, there was an increase in capital expenditure, the fiscal deficit was maintained well below the reasonable limits of three per cent of GSDP (as per the *Th FC* recommendations) during the current year (2.16 per cent of GSDP).

1.11.3 Quality of Deficit/ Surplus

The ratio of revenue deficit to fiscal deficit and the primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part

of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table 1.32**) would indicate the extent to which the deficit is on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.32: Primary deficit/surplus – Bifurcation of factors(*₹ in crore*)

Year	Non-debt receipts*	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Total Primary Expenditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus(+)
1	2	3	4	5	6=(3+4+5)	7=(2-3)	8=(2-6)
2009-10	9,551	9,319	1,647	30	10,996	(+)232	(-) 1,445
2010-11	11,693	10,141	1,855	60	12,056	(+) 1,552	(-) 363
2011-12	13,782	11,206	2,317	247	13,770	(+)2,576	(+)12
2012-13	16,175	11,871	3,542	273	15,686	(+)4,304	(+)489
2013-14	17,556	14,160	3,712	278	18,150	(+)3,396	(-)594

* Receipts other than Public Debt receipts i.e. such receipts which are not to be paid back

- Non debt receipts increased by 83.81 per cent from 2009-10 to 2013-14 and were sufficient to meet the primary revenue expenditure. However, the gap continuously showed a fluctuating trend during 2009-10 to 2013-14 ranging between ₹ 862 crore (2009-10) to ₹ 2,393 crore (2012-13).
- Total primary expenditure increased by ₹ 7,154 crore (65.06 per cent) during 2013-14 as compared to 2009-10 due to increase in primary revenue expenditure to the extent of ₹ 4,841 crore (51.95 per cent) during the period 2009-10 to 2013-14.
- The primary revenue surplus, which had showed sharp decline in 2009-10 again showed an increasing trend during 2010-11 to 2012-13. However, it showed sharp decline during the current year (2013-14) and stood at ₹ 3,396 crore less by ₹ 908 crore (21.10 per cent) as compared to previous year.
- Due to increase in non-debt receipts, primary deficit turned into primary surplus during 2011-12 and continued to remain positive and stood at ₹ 489 crore at the end of 2012-13 but it turned into primary deficit due to increase in Total Primary Expenditure during 2013-14 and stood at ₹ 594 crore at the end of current year.

1.12 Follow up on previous Audit Reports on State Finances

In Uttarakhand, none of the Reports on State Finances have been discussed by the Public Account Committee (September 2014). Accordingly, corrective measures taken by the Government after the Reports were laid before the State Legislature could not be ascertained in audit.

1.13 Conclusion

Revenue receipts grew by ₹ 1,573 crore (9.99 per cent) during the current year over the previous year. This was mainly due to increase in State's share of Union taxes and duties (₹ 301 crore), State's own tax revenue (₹ 941 crore) and Grant from Government of India (₹ 618 crore). However, Non-tax Revenue decreased by ₹ 286 crore during the current year. The expenditure pattern of the State shows that the revenue expenditure as a percentage of total expenditure

increased during the current year and remained around 80.25 *per cent*. The non-plan revenue expenditure (NPRE) increased by 16.61 *per cent* over the previous year.

The expenditure on salaries accounted for 47.82 *per cent* and continued to consume a major share of NPRE during 2013-14. Expenditure on pension payments was ₹ 2,131 crore in 2013-14 which constituted 12.30 *per cent* of the revenue receipts. The pension payments during the current year were higher (₹ 669 crore) than the normative assessment (₹ 1,462 crore) made by *Th FC* for the current year (Annexure 7.7 of *Th FC* Report).

The capital expenditure of the State increased by ₹ 170 crore during 2013-14 as compared to the previous year, mainly due to increase in expenditure in (i) Social and (ii) Economic Services. As *per cent* of total expenditure, the capital expenditure was 13 *per cent* in 2009-10 and 18 *per cent* in 2013-14. During the current year, it showed a nominal increase over the previous year (4.80 *per cent*) but remained (₹ 3,712 crore) below the target set forth by the State Government in its BEs (₹ 4,874 crore) and MTFPS (₹ 5,266 crore).

The overall developmental expenditure increased by 61 *per cent* over the period 2009-10 to 2013-14. The average return on Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past five years while the Government paid an average interest of 7.78 *per cent* on its borrowings during 2009-10 to 2013-14.

The State was able to bring down the revenue deficit to almost nil (₹ 13 crore) in 2010-11 and attained a revenue surplus of ₹ 716 crore during the year 2011-12 which further appreciated in 2012-13 to ₹ 1,787 crore. In current year also the State maintained Revenue surplus and it stood at ₹ 1,105 crore though it has decreased over the previous year by ₹ 682 crore.

The fiscal deficit, which had been on the higher side during 2009-10 and was 3.93 *per cent* of GSDP, was brought down below the reasonable limit of 3.5 *per cent* in the years 2010-11, 2011-12 and 2012-13. The fiscal deficit of the State amounting to ₹ 2,650 crore during 2013-14 is pegged at 2.16 *per cent* of the GSDP.

Cash balance of the State at the end of 2013-14 increased by ₹ 488 crore. The interest received on investment of cash balances in RBI and investment in GOI Securities was negligible (1.87 *per cent*), while the Government borrowed at an average interest rate of 7.57 *per cent*.

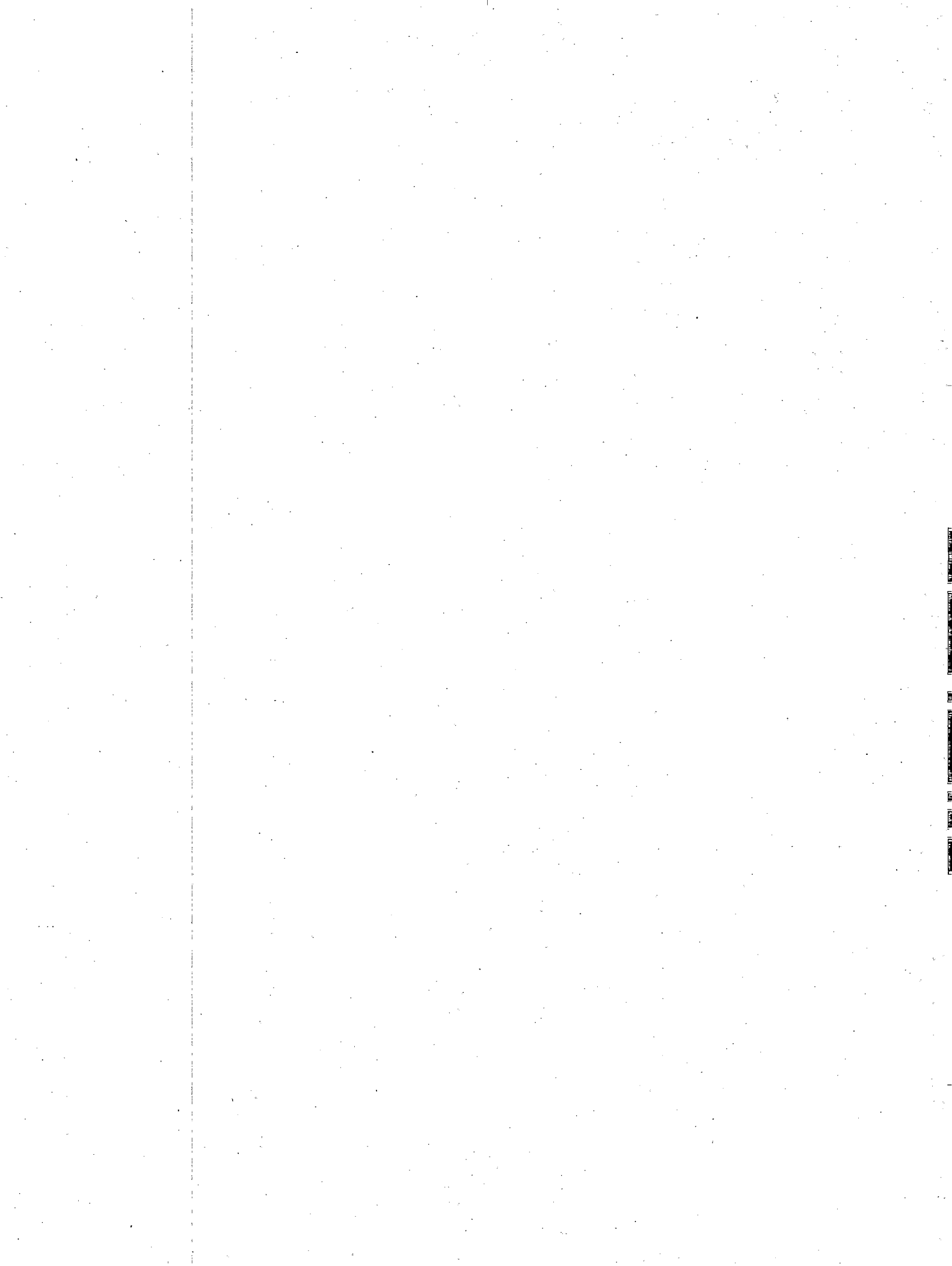
The debt-GSDP ratio in 2013-14 at 23.50 *per cent* was well below the target of 38.50 *per cent* set forth by *Th FC*. The primary surplus in 2011-12, which has appreciated considerably during the year 2012-13 (₹ 489 crore) but it again turned into Primary Deficit during the current year 2013-14 and stood at ₹ 594 crore. The public debt as on 31 March 2014 is ₹ 21,355 crore and 53 *per cent* of the debt is in maturity bracket of seven years and above.

During the year 2013-14, a large amount of ₹ 1,903 crore was directly transferred to State implementing agencies and not routed through the State budget/ State treasury system. As these funds remain outside the State budget, there is no single agency monitoring its use and there is also no readily available data to ascertain how much is actually spent in any particular year on major flagship schemes and other important schemes.

1.14 Recommendations

The Government may consider:

- (i) taking effective steps/ measures such as timely furnishing of the required Utilization Certificates to ensure that the complete award of the Th FC is received and is optimally utilized within the envisaged time frame;*
- (ii) preparing an effective action plan to complete all Public Private Partnership projects promptly so that people derive envisaged benefits in time; and*
- (iii) reviewing the reasons for low returns from investments in the Government Companies /Statutory Corporations /Public Sector Undertakings and take corrective actions to ensure that the returns from investments are maximized.*



CHAPTER-2

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**

CHAPTER- 2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision and are, therefore, complementary to Finance Accounts.

2.1.2 Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2013-14 against 31 grants/appropriations is given in **Table 2.1**.

Table 2.1: Summarised position of Original/ Supplementary provisions *vis-à-vis* Actual Expenditure during the year 2013-14

(₹ in crore)						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	1,53,00.07	28,79.84	1,81,79.91	1,41,26.32	(-)40,53.59
	II Capital	48,69.19	9,62.12	58,31.31	51,80.66	(-)6,50.65
	III Loans and Advances	2,48.66	5,73.55	8,22.21	2,77.99	(-)5,44.22
Total Voted		2,04,17.92	44,15.51	2,48,33.43	1,95,84.97	(-)52,48.46
Charged	IV Revenue	27,54.13	0.34	27,54.47	20,97.65	(-)6,56.82
	V Capital	5.00	00	5.00	00	(-)5.00
	VI Public Debt- Repayment	21,52.79	00	21,52.79	14,82.12	(-)6,70.67
Total Charged		49,11.92	0.34	49,12.26	35,79.77	(-)13,32.49
	Appropriation to Contingency Fund (if any)	--	4,00.00	4,00.00	4,00.00	--
	Grand Total	2,53,29.84	48,15.85	3,01,45.69	2,35,64.74	(-)65,80.95

Source: Appropriation Accounts 2013-14

As shown in **Table 2.1**, there was saving (shortfall in the utilisation of funds) of ₹ 65,80.95 crore which was the result of saving of ₹ 84,18.10 crore in grants and appropriations under Revenue

Section (37 cases), and Capital Section (25 cases) offset by excess of ₹ 18,37.15 crore in three grants under Capital Section.

Departments against which significant savings (more than ₹ 1,00 crore) were noticed during the year were Revenue and General Administration (₹ 14,66.73 crore), Finance, Tax, Planning, Secretariat and Miscellaneous Services (₹ 1,16.17 crore), Education, Sports, Youth Welfare and Culture (₹ 6,35.48 crore), Medical, Health & Family Welfare (₹ 1,16.11 crore), Water Supply, Housing & Urban Development (₹ 3,08.25 crore), Welfare (₹ 1,78.11 crore), Agriculture Works and Research (₹ 1,86.93 crore), Rural Development (₹ 1,79.22 crore), Food (₹ 2,26.55 crore) and Welfare of Scheduled Castes (₹ 2,10 crore). Similarly, departments against which significant excess expenditure over the allotments were noticed during the year 2013-14 were Public Works (₹ 56.59 crore), Food (₹ 17,75.56 crore) and Horticulture Department (₹ five crore).

The savings/ excess (Detailed Appropriation Accounts) were intimated (July 2014) to the Controlling Officers requesting them to furnish reasons for substantial savings/ excess. Their replies were not received (August 2014).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis expenditure

The outcome of the appropriation audit shows that in 53 cases, savings exceeded ₹ one crore in each case, and more than 20 per cent of total provision in 37 cases (*Appendix 2.1*). Against the total savings of ₹ 84,13.07 crore, savings of ₹ 72,20.72 crore (85.83 per cent)¹ occurred in 23 cases relating to 15 grants and one Appropriation as given in **Table 2.2**.

Table 2.2: List of Grants/appropriation with savings of ₹ 50 crore and above (₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1	06-Revenue & General Administration	4,32.17	19,68.19	24,00.36	9,33.63	14,66.73
2	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	30,30.67	1,56.05	31,86.72	30,70.55	1,16.17
3	11-Education, Sports, Youth Welfare & Culture	45,32.73	84.14	46,16.87	39,81.39	6,35.48
4	12-Medical, Health & Family Welfare	9,41.22	28.14	9,69.36	8,53.25	1,16.11
5	13-Water Supply, Housing & Urban Development	6,24.23	1,94.24	8,18.47	5,10.22	3,08.25
6	15-Welfare	7,63.60	29.19	7,92.79	6,14.68	1,78.11
7	17-Agriculture, Works & Research	4,08.81	86.66	4,95.47	3,08.54	1,86.93
8	19-Rural Development	4,84.77	7.58	4,92.35	3,13.13	1,79.22
9	22-Public Works	5,80.08	6.35	5,86.43	4,90.78	95.65
10	25-Food	2,36.76	16.56	2,53.32	26.77	2,26.55
11	30- Welfare Of Scheduled Castes	5,59.47	88.42	6,47.89	4,37.89	2,10.00
12	31- Welfare Of Scheduled Tribes	1,61.56	29.93	1,91.49	1,32.50	58.99

¹ Exceeding ₹ 50 crore in each case.

Revenue-Charged						
13	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	27,02.85	00	27,02.85	20,56.82	6,46.03
Capital-Voted						
14	11-Education, Sports, Youth Welfare & Culture	3,03.32	1,70.31	4,73.63	2,89.08	1,84.55
15	12-Medical, Health & Family Welfare	3,14.69	16.48	3,31.17	1,43.03	1,88.14
16	13-Water Supply, Housing & Urban Development	4,63.65	36.00	4,99.65	2,24.57	2,75.08
17	17-Agriculture, Works & Research	7,46.51	1,71.50	9,18.01	2,44.88	6,73.13
18	19-Rural Development	3,00.39	0.30	3,00.69	2,37.87	62.82
19	20-Irrigation & Flood	6,58.80	4,42.16	11,00.96	4,91.66	6,09.30
20	21-Energy	5,97.44	22.50	6,19.94	2,94.18	3,25.76
21	24-Transport	69.90	53.00	1,22.90	27.72	95.18
22	30-Welfare Of Scheduled Caste	3,87.21	1,54.04	5,41.25	2,40.31	3,00.94
23	31-Welfare Of Scheduled Tribes	86.03	54.36	1,40.39	58.79	81.60
Total		1,93,86.86	38,16.10	2,32,02.96	1,59,82.24	72,20.72

Source: Appropriation Account

The reasons for saving though called for (August 2014) were not received.

2.3.2 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore in 18 cases (Table 2.3).

Table 2.3: List of Grants indicating persistent savings during last five years (₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue-Voted						
1	04-Judicial Administration	28.57	29.91	28.05	50.90	36.52
2	06-Revenue & General Administration	56.74	29.52	43.94	64.40	14,66.73
3	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	4,18.97	1,06.35	5,80.10	5,49.18	1,16.17
4	12-Medical, Health & Family Welfare	91.88	1,24.39	1,53.99	1,33.41	1,16.11
5	13-Water Supply, Housing & Urban Development	47.75	3,72.80	2,35.77	1,53.22	3,08.25
6	15-Welfare	80.43	83.72	1,97.45	1,91.96	1,78.11
7	16-Labour & Employment	5.61	12.08	12.39	36.45	28.70
8	18-Co-operative	1.83	4.87	10.30	6.03	8.53
9	19-Rural Development	70.21	75.22	92.71	1,33.00	1,79.22
10	22-Public Works	28.64	34.94	35.43	56.85	95.65
11	23-Industries	1.34	5.15	14.47	11.32	20.89
12	24-Transport	5.62	2.52	1.37	5.90	3.22
13	26-Tourism	2.85	2.92	30.66	30.05	13.43
14	28-Animal Husbandry	8.49	15.53	4.48	9.04	24.93
Capital-Voted						
1	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	51.24	8.78	72.43	20.60	40.81
2	11-Education, Sports, Youth Welfare & Culture	7.80	60.20	1,66.31	1,22.03	1,84.55
3	15-Welfare	5.09	13.74	22.03	3.54	6.75
4	23-Industries	9.55	11.54	13.35	23.69	28.21

Source: Appropriation Account prepared by Accountant General (A&E) Uttarakhand

Reasons for savings in 2013-14 were not intimated by the Government (August 2014). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2012-13 of the State, a substantial number of cases were noticed where savings persisted during the year which is indicative of over assessment of requirement of funds. This needs to be reviewed.

The outcome of detailed scrutiny of Peyjal Department under Grant No.-13 selected for persistent savings for the years 2011-14 is discussed below:

The Peyjal Department is not in existence in the State and the Government has entrusted the work of Directorate level to Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam (UPSVNN). It works as a nodal office for Water Supply in certain matters, such as compilation of budget and expenditure of water supply.

During 2011-14, in three sub-heads, there were persistent savings ranging between ₹ 0.10 crore and ₹ 1,43 crore, being more than 16.67 to 100 per cent of the total provision as detailed in **Table 2.4**.

Table 2.4: Persistent savings under Grant No. 13-Pey Jal

(₹ in crore)

Sl. No.	Head of Account	Year	Total Provision	Expenditure	Gross Saving	Percentage
1	2215 Water supply & sanitation	2011-12	1,77.00	1,15.00	62.00	35.03
	01 Water Supply	2012-13	1,80.00	1,50.00	30.00	16.67
	102 Rural Water Supply Programmes 97 External/World Bank Aided	2013-14	2,56.00	1,13.00	1,43.00	55.86
2	2215 Water supply & sanitation	2011-12	0.25	0.07	0.18	72.00
	01 Water Supply	2012-13	0.25	0.04	0.21	84.00
	800 Other Expenditure 03 Drinking Water Advisory Committee	2013-14	0.10	00	0.10	100.00
3	2215 Water supply & sanitation	2011-12	0.20	00	0.20	100.00
	02 Sewerage & Sanitation	2012-13	0.20	00	0.20	100.00
	106 Prevention of Air & Water Pollution 05 Pollution free Ganga/Yamuna & its Tributaries	2013-14	0.10	00	0.10	100.00

Source: Departmental figures furnished by Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam

Reasons for savings were attributed to Sector Wide Approach (SWAP) mode where community participation is involved and non-appointment of advisory committee. Under sub-head '2215-02-106-05', the expenditure was nil in 2011-14 against the provision of pollution free Ganga/Yamuna and its tributaries. It is important to note that ₹ 50 lakh over three years were provisioned for cleaning up Ganga and Yamuna and no action was taken on this critical activity despite availability of funds.

2.3.3 Excess Expenditure

As per paragraph 121 of chapter XIII of UBM, incurring of unauthorised excess expenditure is most objectionable and must be avoided. In three cases, expenditure aggregating ₹ 28,68.56 crore exceeded the approved provision by ₹ 18,37.15 crore which was more than ₹ one crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix 2.2**. Of

these, excess expenditure has been observed consistently during the last five years in the following grant/ head (**Table 2.5**).

Table 2.5: List of Grant indicating persistent excess expenditure during 2009-14 (₹ in crore)

Sl. No.	No and Name of grant	Amount of excess expenditure				
		2009-10	2010-11	2011-12	2012-13	2013-14
Capital-Voted						
1	25-Food	9,16.31	12,07.14	12,83.25	18,10.59	17,75.56

Source: Appropriation Account

Reasons for persistent excesses were attributed (June 2014) to non-reimbursement of subsidy from Central Government within financial year. For a sound financial management, assessment of requirement of funds under the heads should have been more realistic to avoid recurrence of such instances of persisting excess expenditure in future. In this case, the Government, by observing the trend of delayed reimbursements by the Central Government, should have provided adequate cover for non recoupment of subsidy.

2.3.4 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 5 crore was incurred in one case as detailed in **Table 2.6** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table 2.6: Expenditure incurred without provision during 2013-14 (₹ in crore)

No. and Name of Grants	Amount of expenditure without provision
29-Horticulture Development (Capital-voted)	5.00

Source: Appropriation Account

The Department in its reply (July 2014) intimated that no expenditure was incurred without budget provisions. The reply was not acceptable, as according to budget document of the State, there was no provision of budget under the head of account-4401.

2.3.5 Excess over provision relating to previous years requiring regularisation

Paragraph 121 of chapter XIII of Uttarakhand Budgeted Manual (UBM) envisages that if after the close of the year it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly demands for excess grants as required under Articles 205 (1) (b) of the Constitution. However, the excess expenditure amounting to ₹ 92,29.25 crore pertaining to previous years 2005-13 was yet to be regularised by the State Legislature. The year-wise amount of excess expenditure pending regularisation is summarised in **Table 2.7**.

Table 2.7: Excess expenditure over the provision relating to previous years requiring regularisation

(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grant / Appropriation	Details of Grant / Appropriation		
2005-06	7	7,8,17,20,22,25&29	6,63.50	Status not intimated by the State Government
2006-07	6	7,17,20,22,25 & 29	9,35.92	
2007-08	6	7,17,20, 22,25 & 29	7,33.79	
2008-09	6	7,17,20,22,25&29	11,46.41	
2009-10	7	7,17,18,21,22,25&29	10,07.49	
2010-11	9	10,12,15,17,20,21,22,25 & 29	12,95.40	
2011-12	5	7,17,22,25&29	16,11.40	
2012-13	7	12,14,17,21,22,25 & 29	18,35.34	
Total			92,29.25	

Source: Appropriation Accounts prepared by Accountant General (A&E) Uttarakhand

2.3.6 Excess over provisions during 2013-14 requiring regularisation

Table 2.8 contains the summary of total excess expenditure registered under three grants amounting to ₹ 18,37.15 crore over authorization from the Consolidated Fund of the State (CFS) during the year 2013-14.

Table 2.8: Excess over provision requiring regularisation during 2013-14

(₹ in crore)

Sl. No.	Number and title of Grant/ Appropriation		Total Grant/ Appropriation	Expenditure	Excess
Capital –Voted					
1.	22	Public Works	9,97.91	10,54.50	56.59
2.	25	Food	33.50	18,09.06	17,75.56
3.	29	Horticulture Development	00	5.00	5.00
			10,31.41	28,68.56	18,37.15

Source: Appropriation Account

Reasons for the excess had not been intimated by the State Government/ Department as of August 2014. The excess expenditure over the provision under the grants/ appropriation incurred during the year 2013-14, should be got regularised by the State Legislature.

2.3.7 Unnecessary/ Excessive/ Inadequate supplementary provision

Supplementary provision aggregating ₹ 17,45.60 crore obtained in 20 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in *Appendix 2.3*.

Supplementary provision of ₹ 2,63.71 crore sought in respect of two cases proved insufficient by more than ₹ one crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 18,32.15 crore (*Appendix 2.4*).

2.3.8 Excessive/ unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive/ insufficient and resulted in savings/ excess of ₹ 10 lakh and above in 102 cases as detailed in *Appendix 2.5*. Of these, savings of ₹ 8,63.61 crore occurred in

five Grants, (more than ₹ 20 crore in each Grant) such as ₹ 46.61 crore in Grant Number 07-Finance, Tax, Planning, Secretariat & Misc. Services, ₹ 4,26.67 crore² in Grant No.11-Education, Sports, Youth Welfare & Culture, ₹ 1,99.59 crore in Grant Number 13-Water Supply, Housing & Urban Development, ₹ 45.79 crore³ in Grant Number 19-Rural Development and ₹ 1,44.95 crore in Grant Number 22-Public Works. Reasons for the savings had not been furnished by the Government as of August 2014.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 43 sub-heads on account of savings in various items due to non-receipt of central share, actual requirement of funds, savings in establishment expenses and non-requirement of fund. Out of the original provision amounting to ₹ 5,27.42 crore in these 43 sub-heads, ₹ 4,31.48 crore (81.81 per cent) were surrendered which included cent per cent surrender in two schemes (₹ 2.50 crore) as detailed in *Appendix 2.6*.

2.3.10 Surrender in excess of actual saving

In three cases, the amount surrendered was in excess of actual savings (₹ 50 lakh or more in each case) indicating lack of budgetary controls in the Department. As against savings of ₹ 6,46.68 crore in these cases, the amount surrendered was ₹ 7,14.97 crore resulting in injudicious excess surrender of ₹ 68.29 crore. Details are given in *Appendix 2.7*.

2.3.11 Anticipated savings not surrendered

Paragraph 124 of Section I of Chapter XIII of UBM stipulates that every controlling officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25th January. At the close of the year 2013-14, there were, however, 10 grants in which savings of ₹ five crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 23,73.76 crore (28.20 per cent of the total savings⁴) as given in *Appendix 2.8*.

Similarly, out of savings of ₹ 76,88.56 crore (individual cases where savings were more than ₹ one crore occurred), amount aggregating ₹ 13,87.71 crore was surrendered resulting in non-surrender of ₹ 63,00.85 crore (74.85 per cent of total savings), details of which are given in *Appendix 2.9*. Besides, in 20 cases, (surrender of funds in excess of ₹ 10 crore), ₹ 18,32.68 crore were surrendered (*Appendix 2.10*) on the last day of March 2014, thereby defeating the intended purpose of surrenders as these funds could not be utilized for other purposes.

² ₹ 1,50.51 crore + ₹ 1,71.99 crore + ₹ 1,04.17 crore = ₹ 4,26.67 crore

³ ₹ 21.28 crore + ₹ 24.51 crore = ₹ 45.79 crore

⁴ Table 2.1-Total saving ₹ 84,18.10 crore (₹ 23,73.74 crore x 100/₹ 84,18.10 crore = 28.20%)

2.3.12 Rush of expenditure

Paragraph 183 of chapter XVII of UBM stipulates that rush of expenditure in the closing month of the financial year should be avoided. For a sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding ₹ five crore or more than 50 per cent of the total expenditure for the year was incurred in last quarter or in March 2014, in respect of 28 major heads as listed in **Appendix 2.11**.

Scrutiny showed that 68.40 per cent of the total expenditure of ₹ 28,73.91 crore spent against these major heads during the year 2013-14, was incurred in the last quarter of the financial year.

2.3.13 Drawal of funds to avoid lapse of Budget

According to the provisions contained in General Financial and Accounts Rules (Rule 8), funds shall be withdrawn only if required for immediate payment and shall not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Besides, the practice of withdrawing funds with a view to avoiding lapse of Budget grant and placing such moneys as deposits in the Public Account or with Bank is forbidden.

From the information compiled by the Office of the Accountant General (Accounts and Entitlement), Uttarakhand, it was seen that an amount of ₹ 7,97.62 crore was drawn by the State Government Departments during the month of March 2014 and deposited in the deposit heads⁵ to avoid lapse of budget grant.

Further scrutiny of accounts of Chief Treasury Officer, Dehradun showed that there were increasing trends of opening of deposit accounts. Of these accounts, four were found inoperative since 2010-11, under which funds to the tune of ₹ 4.64 crore were parked. The status of deposit accounts from 2011-14 is detailed in **Table 2.9**.

Table 2.9: Status of the deposit accounts

(₹ In crore)

Deposit Heads	2011-12		2012-13		2013-14	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8229-Development & Welfare Fund	4	84.07	4	36.19	2	0.02
8338-Deposit of Local Fund	5	71.92	5	52.10	6	68.37
8443-Civil Deposit	7	94.89	7	8.82	23	178.07
8448-Deposit of Local Funds	27	55.61	31	156.02	24	39.22
Total fund Parked/transferred	43	3,06.49	47	2,53.13	55	2,85.68

Source: Records of Chief Treasury Officer Dehradun

During scrutiny of these accounts, it was seen that ₹ 78.70 crore, ₹ 62 crore and ₹ 79.87 crore were transferred into deposit head at the end (29 to 31 March) of the years 2011-12, 2012-13 and 2013-14 respectively to avoid budgetary lapses in the year (**Appendix 2.12**).

⁵ 8229-Development & Welfare Fund; 8338-Deposits of Local Funds; 8443-Civil Deposits and 8448-Deposits of Local Funds.

Detailed scrutiny of the Personal Ledger Account (PLA) of District Magistrate (DM) Dehradun showed that ₹ 41.46 crore were transferred from '4202-Capital Outlay on Education, Sports, Arts and Culture' and ₹ 26 crore were transferred from '4216-Capital Outlay on Housing' to avoid budgetary lapses at the end of financial year 2013-14 as shown in **Table 2.10**.

Table 2.10: Amount of fund transferred at the end of 2013-14 into DM, Dehradun PLA (₹ in crore)

Date of fund transfer	From where transferred (HOA)	Where transferred (HOA-Deposit)	Amount transferred to deposit heads
29 th March 2014	4250-00-800-09	8443-00-800	1.34
30 th March 2014	4202-02-105-10	8443-00-800	5.00
	4202-02-105-09	8443-00-800	9.80
	4202-02-105-11	8443-00-800	5.00
	4202-02-105-07	8443-00-800	1.80
	4202-02-105-08	8443-00-800	2.00
31 st March 2014	Cash deposit	8443-00-800	1.00
	Cash deposit	8443-00-800	25.00
	4202-03-102-18	8443-00-800	12.72
	4202-03-102-01	8443-00-800	1.80
	4202-03-102-20	8443-00-800	2.00
Total transferred fund			67.46

Source: Records of Chief Treasury Officer Dehradun

Reasons of transferring funds from capital heads into PLA was attributed to non-finalization of drawings and design of residences of Principal Secretaries and non-transferring of forest land for Secretariat building at Raipur Dehradun. Reply was not acceptable as the Government had not surrendered the unspent funds and transferred it into PLA in contravention of provisions of UBM.

2.4 Outcome of review of selected Grant

A review of receipts and expenditure of Grant No. 20-"Irrigation & Flood" for the period 2011-14 was undertaken. Major irregularities noticed are summarised below:

2.4.1 Grant No. 20 –Irrigation & Flood

(i) Major and Medium Irrigation Department

2.4.1.1 Unnecessary/ excessive supplementary provisions of funds

Paragraph 119 of Chapter-XIII of the Uttarakhand Budget Manual (UBM) stipulates that if during the currency of a financial year, the amount provided for any purpose is found to be inadequate or a need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. Supplementary provision aggregating to ₹ 87.12 crore obtained during 2011-13 in three cases proved unnecessary as the Department could not spend the entire amount of the Supplementary grant, as shown in the **Table 2.11**.

Table 2.11: Unnecessary/ excessive supplementary provisions of funds

(₹ in lakh)

Head of Account	Year	Original	Supplementary	Re-appropriation	Total Provision	Expenditure	Surrender
2702-80-800-03	2011-12	15.71	10.50	0	26.21	14.50	11.71
4711-01-103-01	2011-12	7,00.00	77,01.61	(-)8,02.27	75,99.34	15,51.53	60,47.81
4700-18-800-02	2012-13	00	10,00.00	(+)2,00.00	12,00.00	5,72.00	6,28.00
Total		7,15.71	87,12.11	(-)6,02.27	88,25.55	21,38.03	66,87.52

Source: Appropriation Accounts 2012, 2013, 2014 prepared by Accountant General (A&E), Uttarakhand

Reasons for unnecessary supplementary provision were attributed to non-release of funds by the Central Government and release of funds by the State Government in the month of March. Thus, the supplementary provisions demanded by the Department proved unnecessary.

2.4.1.2 Persistent Savings

In 11 cases, there were persistent savings ranging between 3.55 and 100 per cent of the total provision as given in Appendix 2.13.

Reasons of persistent saving were attributed to regularisation of work-charged labourers, non-release of funds by the State Government, non-release of funds by Central Government, short release of funds by the State Government and release of funds in the last quarter of the year by the State Government.

2.4.1.3 Surrender in spite of final excess

In three cases, surrender of ₹ 10.95 crore was made in spite of final excess of ₹ 8.72 crore. Details are given in Table 2.12.

Table 2.12: Surrender in spite of final excess

(₹ in lakh)

Sl. No	Head of Account	Year	Original	Supplementary	Surrender	Total Provision	Expenditure	Excess
1	2700-00-001-03	2011-12	19,67.34	--	71.99	18,95.35	19,19.29	23.94
2	2700-00-001-04	2011-12	1,75,47.81	--	6,10.54	1,69,37.27	1,70,52.06	1,14.79
3	4700-06-800-02	2011-12	60,43.87	1,50.00/ 3,62.96	1,34.07	64,22.76	65,52.78	1,30.02
		2012-13	50,70.00	30,75.00	2,78.57	78,66.43	84,69.79	6,03.36
Total			3,06,29.02	1,01,44	10,95.17	3,31,21.81	3,39,93.92	8,72.11

2.4.1.4 Rush of Expenditure

Maintaining uniform pace of expenditure is a crucial component of sound public financial management.

During 2013-14, it was seen that 40.34 to 100 per cent of total expenditure was incurred during the last quarter of the year while 26.80 per cent to 100 per cent was incurred in the last month of the year, which is given in Appendix 2.14.

It is evident that 42.39 per cent of the total expenditure of ₹ 52.44 crore was spent only in March 2014 and 53.77 per cent expenditure was incurred in the last quarter of the financial year. The Department accepted the above expenditures and attributed the same mainly to the release of funds in the month of March. Contrary to the spirit of financial regulations, a substantial expenditure was incurred by the Department at the end of the year which was indicative of poor

financial control over the expenditure. A uniform pace of expenditure is a must for sound financial management.

(ii) **Grant No. 20 – Minor Irrigation Department**

2.4.1.5 Persistent Savings

In three sub-heads, there were persistent savings ranging between 8.39 and 100 per cent of the total provision as given in **Table 2.13**.

Table 2.13: Persistent savings during 2011-14

(₹ in lakh)

Sl.No	Head of Account	Year	Total Provision	Expenditure	Gross Saving	Percentage
Revenue-Voted						
1	2702 Minor Irrigation	2011-12	12.75	11.68	1.07	8.39
	02 Ground Water	2012-13	15.72	2.85	12.87	81.87
	005 Investigation 05 Minor Irrigation Advisory Committee	2013-14	18.15	00	18.15	100
2	2702 Minor Irrigation	2011-12	26.21	14.50	11.71	44.68
	80 General	2012-13	25.42	13.73	11.69	45.99
	800 Other expenditure 03 Rationalization of Minor Irrigation	2013-14	28.99	13.89	15.10	52.09
Capital-Voted						
3	4702 Capital Outlay on Minor Irrigation	2011-12	1,95,83.26	1,77,57.50	18,25.76	9.32
	00	2012-13	2,26,03.01	89,14.06	1,36,88.95	60.56
	800 Other Expenditure 01 Central Plan/Centrally Sponsored Schemes (90 per cent Central Assistance)	2013-14	4,25,69.01	63,60.66	3,62,08.35	85.06

Source: Departmental figures

The reasons given for savings were that the expenditure incurred up to approved amount, fields erosion due to heavy rain, and non-release and late release of Central Share.

2.4.1.6 Surrender in spite of final excess

In three cases, surrender of ₹ 21.71 crore was made in spite of final excess of about ₹ 1.52 crore. Details are given in **Table 2.14**.

Table 2.14: Surrender in spite of final excess

(₹ in lakh)

Sl. No	Head of Account	Year	Original	Supple-mentary	Surrender	Total Provision	Expenditure	Excess
Revenue-Voted								
1	2702-02-005-03	2011-12	12,86.06	1,97.50	96.84	13,86.72	13,95.39	8.67
		2012-13	16,59.26	29.50	1,10.71	15,78.05	15,81.18	3.13
2	2702-03-103-03	2011-12	25,50.00	--	1,37.50	24,12.50	24,15.75	3.25
Capital-Voted								
3	4702-00-800-01	2011-12	1,62,03.00	33,80.25	18,25.75	1,77,57.50	1,78,94.25	1,36.75
Total			2,16,98.32	36,07.25	21,70.80	2,31,34.77	2,32,86.57	1,51.80

2.4.1.7 Inappropriate revenue generation system

The Department generates its revenue through irrigation tax, which was found to be inadequate, as no target of revenue collection was ever fixed by the Departmental authorities. As per adopted

system, the Department forwards its irrigation tax demands to local Revenue Departmental authorities and was not even aware of the amount of revenue recovered by the revenue authorities. The assets of the Irrigation Department and its revenue demands are shown in **Table 2.15**.

Table 2.15: Assets of Irrigation Department and Revenue demands (₹ in lakh)

Year	No. of canals	Pump canals	Tube wells	Total CCA (in lakh Hectare)	Amount of revenue through Irrigation tax	Amount of revenue from other sources	Amount of total revenue
2011-12	2714	155	1118	3.302	2,52.27	8,19.21	10,71.48
2012-13	2735	166	1248	3.338	2,44.91	8,41.77	10,86.68
2013-14	2791	187	1328	3.355	2,26.07	11,06.57	13,32.64

Source: Records of Irrigation Department

It is evident from the above table that there is a declining trend of revenue generation.

2.5 Outcome of Inspection of Treasuries

There were 86 units *i.e.* 18 Treasuries and 66 Sub-Treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2013-14. Major irregularities noticed during inspection of 53⁶ units during 2013-14 are contained in **Table 2.16**.

Table 2.16: Outcome of inspection of Treasuries

Sl. No	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	7.74
2.	Amount of time barred cheques deducted from current year instead of respective financial year.	0.07
3.	Non-deduction of TDS during the year 2012-13	0.18
4.	Non-payment of pre-audited bills from 1 to 6 months	0.01
5.	Excess payment of pension commutation due to incorrect calculation.	0.02
6.	Payment of lapsed pension without approval of competent authority.	0.04

Source: Annual Review 2013-14 on Treasuries by Accountant General (A&E), Uttarakhand

There is a need to tighten the controls at the level of Treasuries relating to AC bills' adjustment, proper adjustment of time barred cheques, deduction of TDS, regularity in payment of pre-audited bills, excess payment of pension commutation, and payment of lapsed pension.

2.6 Advances from Contingency Fund

The Contingency Fund of the State, in the nature of an imprest, has been established vide Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The State Government issued a notification in February 2014 to increase Contingency Fund Corpus by ₹ 5,50 crore, from ₹ 2,00 crore to ₹ 7,50 crore, during 2013-14. However, during the year appropriation to Contingency Fund of ₹ 4,00 crore only has been made. Thus Contingency Fund Corpus was increased only by

⁶ 20 Treasuries and 33 Sub Treasuries

₹ 4,00 crore during the year and stood at ₹ 6,00 crore at the end of 2013-14. Any drawal of advances from the fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, advances to the tune of ₹ 1,94.48 crore drawn from the Contingency Fund during the year 2013-14, remained to be recouped from Service Heads to the Contingency Fund after authorisation of Legislature as on 31 March 2014 (*Appendix 2.15*) as required according to Section 5 of Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001).

Further scrutiny showed that the Government had withdrawn funds from Contingency fund during 2000 to 2013 and funds to the tune of ₹ 85.14 crore (August 2014) had not been recouped. The year wise non-recoupment of funds of Contingency fund under the Grants and Major Heads is shown in the *Appendix 2.16*.

Also, Government resorted to advances from the Contingency Fund during the year for meeting the capital expenditure (₹ 1,06.42 crore) which was foreseeable and thus in contravention of rules governing operation of the fund.

2.7 (A) Pendency in submission of Detailed Countersigned Contingent (DC) Bills against Abstract Contingent Bills (AC)

As per Financial Rules, every Drawing Officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). The total amount of DC bills received during the year 2013-14 was only ₹ 1,04.49 crore against the amount of AC bills of ₹ 1,12.23 crore leaving an outstanding balance of 143 AC bills of ₹ 7.74 crore awaiting adjustment as on March 2014. Year wise details are given in **Table 2.17**.

Table 2.17: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2014) (₹ in crore)

Year	Amount of AC Bills	Amount of DC Bills	Outstanding AC Bills	
			Number	Amount
Up to 2011-12	1,07.30	1,00.50	66	6.80
2012-13	3.68	3.59	40	0.09
2013-14	1.25	0.40	37	0.85
Total	1,12.23	1,04.49	143	7.74

Source: Information as compiled from. Accountant General (A&E), Uttarakhand

Out of the total outstanding DC bills amounting to ₹ 7.74 crore, the major portion of eight outstanding DC bills of ₹ 4.48 crore⁷ pertained to Medical Health and Family Welfare Department.

Department/office wise pending DC bills for the years up to 2013-14, showing position of outstanding DC bills as on March 2014, have been given in *Appendix 2.17*.

⁷ Excluding one DC bill amounting to ₹ 0.25 lakh of Ayurvedic & Unani Department.

Non-submission of DC bills for long periods after drawal of AC bills is fraught with the risk of misappropriation and, therefore, needs to be monitored closely.

2.7 (B) Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlements). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2013-14 also. Audit scrutiny showed cases where amounts exceeding ₹ 10 crore involving a total of ₹ 22,49.80 crore remained un-reconciled in respect of eight Controlling Officers during the year 2013-14, which constituted 9.71 per cent of the total expenditure of ₹ 2,31,64.74 crore. Details are given in **Table 2.18**.

Table 2.18: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2013-14

Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Election Officer, Uttarakhand	11.39
2.	Commissioner, Relief, Revenue Department	5,99.65
3.	Principal Secretary Finance/Estate Department	8,69.69
4.	Director General, Information & Public Relation	49.31
5.	Chief Engineer & Head of Department, Irrigation department	3,24.56
6.	Secretary, Energy, Government of Uttarakhand	2,64.05
7.	Secretary, Information Technology, Government of Uttarakhand	17.20
8.	Principal Secretary, Social Welfare, Government of Uttarakhand	1,13.95
Total		22,49.80

Source: Information as compiled from VLC data of Accountant General (A&E), Uttarakhand

The Chief Controlling officers of the above mentioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (August 2014).

The Government must ensure reconciliation of accounts by the Controlling Officers concerned to obviate the possibilities of fraud and misuse of funds.

2.8 Deficiencies in Budgeting Process

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2013-14.

- i. Minor Head 900-Recoveries under Major Heads 0029, 0039 and Minor Head 901 under Sub-Major Head 01 of Registration Fees have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the Minor Head-900

recoveries shall be shown below every Major, Sub-major and Minor Head coming under the Sector-A Tax-Revenue.

- ii. As per the Budget document Vol.-V part I, under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as provided in the List of Major and Minor Heads of Accounts.
- iii. As per the Budget document Sub-Major Head 60 Others is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other buildings under the Sub Major Head 60.
- iv. In the Major Head 2059, under Grant Number 22, Minor head 102 under Sub-Major Head 80 has been shown as 'Repair and Maintenance', whereas it should have been shown as Minor Head 053 under Sub-Major Head 80, as per the List of Major and Minor Heads of Accounts.
- v. Under the Major Head 2245, only one Sub-Major Head 05 has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for the provision of two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- vi. In the Major Head 4235, 'Welfare of Handicapped' has been shown against Minor Head 104 under Sub-Major Head 02 whereas it should have been 'Welfare of Aged, Infirm and Destitute'. As per the List of Major and Minor Heads of Accounts, 'Welfare of Handicapped' should have been shown against Minor Head 101.
- vii. In Major Head 2401 under Grant Number 17, Minor Heads 800 other scheme was shown, whereas these should have been shown as 'other expenditure' as per the List of Major and Minor Heads of Accounts.
- viii. Several aided schemes of Central Government have not been shown in the Major Head 1601 under the detailed estimates of the receipt of Revenue and Capital Accounts.
- ix. Minor Heads 101 Special Component Plan for Scheduled Castes in the Major Head 2211 under Grant Number 30 has been shown according to Budget document whereas Minor Head 101 Rural Family Welfare Services has been mentioned in the List of Major and Minor Heads of Accounts.
- x. In Major Head 2052, Minor Heads 800 other Expenditure was shown, whereas there are provisions of '091-Attached Offices' and '092-Other offices' sub heads as per the List of Major and Minor Heads of Accounts.

Similar shortcomings were also mentioned in the Audit Report (2012-13). However, the cognizance of the same has not been taken by the Government.

2.9 Conclusion

During 2013-14, there was an overall savings of ₹ 65,80.95 crore against the total grants and appropriations of ₹ 3,01,45.69 crore. There was an excess of ₹ 18,37.15 crore in three grants which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 17,45.60 crore obtained in 20 cases proved unnecessary. Re-appropriation of funds in 102 cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 18,32.68 crore on the last working day of the financial year leaving no scope for utilizing these funds for other development purposes. In three cases, ₹ 68.29 crore was surrendered in excess of actual savings.

Excess expenditure amounting to ₹ 92,29.25 crore pertaining to the years 2005-13 was yet to be regularised by the state legislature.

An amount of ₹ 7,97.62 crore drawn by the State Government during the month of March 2014 was deposited in the deposit heads to avoid lapse of budget grants. Four deposit accounts having ₹ 4.64 crore were found inoperative since last four years in Dehradun Treasury.

A significant amount of ₹ 1,94.48 crore was sanctioned under Contingency Fund in 17 cases and the entire amount has remained un-recouped. The Controlling Officers did not submit (March 2014) the Detailed Contingent Bills in respect of ₹ 7.74 crore drawn on Abstract Contingent Bills up to 31 March 2014.

Inspection of treasuries also indicated deficiencies in their functioning. Eight controlling officers did not reconcile their expenditures with the Accountant General (Accounts & Entitlement), Uttarakhand. Deficiencies in classification of heads of accounts were noticed in the budgeting process of the State Government for the financial year 2013-14.

2.10 Recommendations

The Government may consider that:

- (i) *savings should be assessed and surrendered before the close of the financial year so that it can be effectively utilised in other areas/ schemes;*
- (ii) *a rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent bills within the stipulated period;*
- (iii) *advances from Contingency Fund are resorted to only to meet expenditure that are contingent in nature and also that funds drawn are recouped timely; and*
- (iv) *the matter regarding early regularisation of excess expenditure should be taken up with Public Accounts Committee Secretariat.*

CHAPTER-3

FINANCIAL REPORTING

CHAPTER- 3

FINANCIAL REPORTING

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning, decision making and accountability of the stakeholders. This Chapter provides an overview and status of State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and, after verification, these should be forwarded to the Accountant General (Accounts and Entitlements) within 18 months from the date of their sanction unless specified otherwise. 427 UCs amounting to ₹ 399.75 crore were pending as of March 2014. Of these, 200 UCs (46.84 per cent) involving ₹ 273.56 crore were pending for periods up to two years and 227 UCs involving ₹ 126.19 crore were pending for more than two years. The age-wise delays in submission of UCs have been summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilization Certificates as on March 2014 (₹ in crore)

Sl. No.	Range of delay in number of years	Utilisation Certificates Outstanding	
		Number	Amount
1	0-1	171	237.70
2	1-2	29	35.86
3	More than two years	227	126.19
Total		427	399.75

Source: Finance Accounts 2013-14 prepared by AG (A&E), Uttarakhand

However, due date of 192 utilisation certificates amounting ₹ 291.08 crore falls between April 2014 to September 2015.

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the intended purpose for which these were sanctioned. Thus, efforts may be made by the departments for expeditious submission of UCs by the recipients.

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Power and Conditions of Services) Act, 1971, the Government/ Heads

of the Department are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and / or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year, a statement of such bodies and authorities to which grants and/ or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

It was seen that none of the departmental heads had furnished the statement of such bodies and authorities to which grants and/ or loans aggregating ₹ 10 lakh or more were paid during the preceding year. Consequently, Audit could not provide assurance to the Legislature/Government, the manner in which the sanctioned grant was utilised, specifically on the issues of diversion or misutilisation.

3.3 Delay in submission of Accounts in respect of Departmentally Managed Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalised annual accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of annual accounts, the investment of the Government remains outside the scrutiny of the Audit/ State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General (Audit), Uttarakhand, Dehradun for audit within a specified time frame. As of March 2014, out of two such undertakings, one had not prepared its accounts and was in arrears from the year 2002-03 onwards. The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government are given in **Appendix 3.1**. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

3.4 Misappropriations, losses, defalcations, etc.

Audit observed four cases of misappropriation, defalcation *etc.*, involving Government money amounting to ₹ 1.44 crore up to the period March 2014 on which final action was pending. The department-wise break-up of pending cases showing age wise analysis and nature of these cases are given in *Appendix 3.2 and Appendix 3.3* respectively. The age-profile of the pending cases and the number of cases pending in each category; and misappropriation/ loss are summarised in **Table 3.2**.

Table 3.2: Profile of cases of misappropriations, losses, defalcations, etc., as on 31 March 2014

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount involved (₹ in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount involved (in ₹ lakh)
0 - 1	--	--	--	--	--
1 - 2	--	--	--	--	--
2 - 3	02 (2011-12)	109.87	Misappropriation/Loss of material	02	109.87
3 - 4	01 (2010-11)	32.84	Misappropriation/Loss of material	01	32.84
4 & above	01 (2008-09)	1.07	Misappropriation/Loss of material	01	1.07
			Total	04	143.78
			Cases of Loss Written off during the Year	--	--
Total	04	143.78	Total Pending cases	04	143.78

Of these four cases of misappropriation/ loss amounting to ₹ 143.78 lakh pending for final action, one case was pending in the Department of Education amounting to ₹ 1.07 lakh and the other three cases involving a substantial amount of ₹ 142.71 lakh were awaiting finalisation by the Department of Forest.

An effective mechanism needs to be put in place to ensure speedy settlement of cases relating to misappropriation, loss and theft and in order to avoid recurrence of such cases in future.

3.5 Bookings under Minor Head 800-'Other Receipts' and 'Other Expenditure'

Minor Heads 800-'Other Expenditure' and 'Other Receipts' are intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Heads 800 is to be discouraged, since it renders the accounts opaque. During 2013-14, an amount of ₹ 1,516.77 crore under 37 Major Heads of account, constituting 9.35 *per cent* of the total revenue expenditure (₹ 16,216.41 crore.) was classified under the Minor Head 'Other Expenditure' in the Revenue Account. Similarly, a total sum of ₹ 1,535.08 crore under 38 Major Heads of Account constituting 8.86 *per cent* of the total revenue receipts (₹ 17,320.53 crore)

was classified under the Minor Head 'Other Receipts' Instances where a substantial portion (50 per cent or more and exceeding ₹ 10 crore), of the receipts and expenditure were classified under Minor Head '800-Other Receipts' as depicted in **Table 3.3**.

Table 3.3: Substantial amount booked under MH-'800' other receipts/expenditures. (₹ in crore)

"800-Other Receipts"				"800-Other Expenditure"			
Major Head	Total Receipts	Booking under MH-800	Percentage of receipts	Major Head	Total expenditure	Booking under MH-800	Percentage of Expenditure
0023	17.82	17.82	100	2217	68.07	38.99	57.28
0030	686.71	686.19	99.92	2245	670.30	639.74	95.44
0056	16.76	16.76	100				
0075	48.74	31.09	63.79				
0210	44.04	44.04	100				
0406	362.70	362.70	100	2501	76.19	71.60	93.98
0801	121.11	121.11	100				
Total	1,297.88	1,279.71	98.60		814.56	750.33	92.11

Source: Finance Accounts prepared by Accountant General (A&E) Uttarakhand

The major schemes are not depicted distinctly in the Finance Accounts, though the details of these expenditures are depicted in the sub-head (scheme) level or below in the detailed demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government Accounts. Classification of large amounts booked under the minor head '800'-Other receipts/ expenditure affects the transparency/ fair picture in financial reporting.

3.6 Conclusion

The departmental officers did not submit 427 Utilisation Certificates, in respect of the grants (₹ 399.75 crore) given for specific purposes, to the Accountant General (A&E), Uttarakhand till March 2014. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes. The departmental heads were not submitting statement of such bodies and authorities to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such the institutions which attract audit by CAG could not be identified properly.


Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' were not distinctly depicted in the State Finance Accounts of 2013-14, affecting the transparency in financial reporting.

3.7 Recommendations

The Government may consider:

- (i) *ensuring timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes and the annual accounts in respect of the autonomous bodies;*
- (ii) *expediting departmental enquiries in all misappropriation and loss cases to bring the defaulters to book; and*
- (iii) *correctness in financial reporting instead of clubbing the receipts and expenditure of major schemes under the Minor Heads '800-Other Expenditure' and '800-Other Receipts'.*

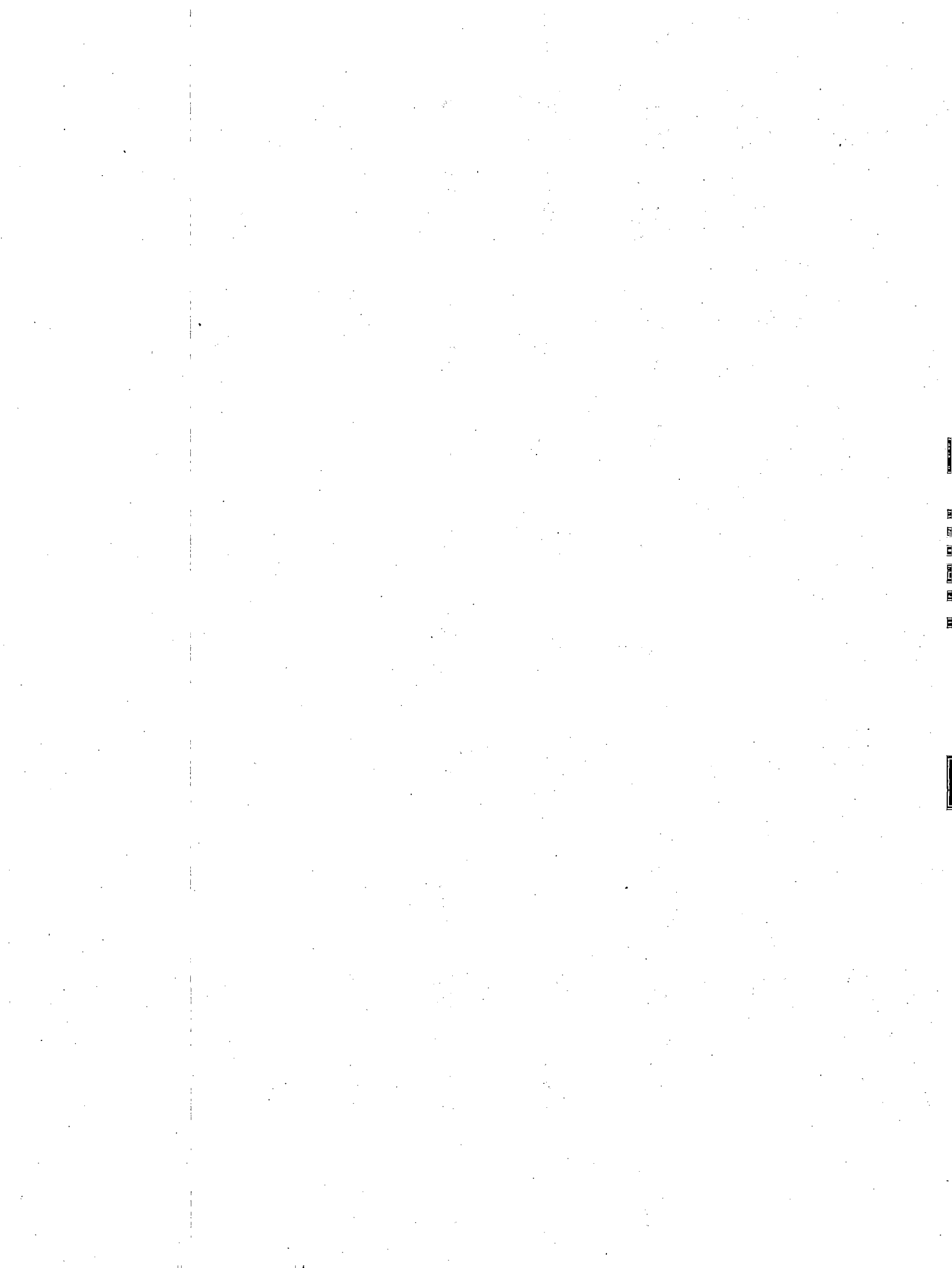
Dehradun
The 06 April 2015


(SAURABH NARAIN)
Accountant General (Audit), Uttarakhand

Countersigned

New Delhi
The 07 April 2015


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India



APPENDICES

Appendix 1
State Profile
Paragraph 1.1
(Reference: Profile of the State; page 1)

A. General Data*:

S.No.	Particulars	Figures
1	Area	53,483 Sq. km.
2	Population	
	a. As per 2001 Census	84.89 lakh
	b. As per 2011 Census	101.17 lakh
3	a. Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	159 person per Sq. km.
	b. Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	189 person per Sq. km.
4	Population Below Poverty Line (BPL) (All India Average = 29.50 per cent)	17.80 per cent
5	a. Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	71.62 per cent
	b. Literacy (as per 2011 Census) (All India Average = 74.04 per cent)	79.63 per cent
6	Infant mortality (per 1000 live births) (All India Average = 42 per 1000 live births)	34
7	Life Expectancy at Birth (All India Average =66.10)	NA
8	Gini Coefficient**	
	a. Rural (All India = 0.276)	0.231
	b. Urban (All India = 0.371)	0.395
9	Gross State Domestic Product (GSDP) 2013-14 at current prices	1,22,433
10	Per capita GSDP CAGR (2004-05 to 2013-14)	17.66 per cent
11	GSDP CAGR (2004-05 to 2013-14)	19.42 per cent
12	Population Growth (2004-05 to 2013-14)	14.33 per cent

B: Financial Data

CAGR (2004-05 to 2013-14)			
Particulars		Figures (in per cent)	
CAGR		2004-05 to 2012-13	2004-05 to 2013-14
A	Of Revenue Receipts	18.37	17.41
B	Of Tax Revenue	20.49	19.83
C	Of Non-Tax Revenue	14.36	10.23
D	Total Expenditure	13.72	13.72
E	Capital Expenditure	15.27	14.06
F	Revenue Expenditure in General Education	16.44	15.37
G	Revenue Expenditure on Health	19.32	18.35
H	Salary	21.67	20.60
I	Pension	18.39	22.07

* Source of General data: Data Book of Planning Commission for Deputy Chairman, Planning Commission, GOI- 21st July 2014. (web site: <http://planningcommission.gov.in>)

**Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closure to one inequality is higher.

Appendix 1.1
Paragraph 1.2.1
(Reference: pages 1 & 8)

Part A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund: All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained where upon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings provident funds, reserve funds, deposits, suspense remittances, etc. which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

PART B: Layout of Finance Accounts

Statement	Layout
Volume 1	
Statement No.1	Statement of Financial Position.
Statement No.2	Statement of Receipts and Disbursements.
Statement No.3	Statement of Receipts in Consolidated Fund.
Statement No.4	Statement of Expenditure in Consolidated Fund. By Function and Nature Notes to Accounts.
Appendix 1	Cash balance and investment of cash balance
Volume 2	
PART-I	
Statement No. 5	Statement of Progressive Capital Expenditure.
Statement No.6	Statement of Borrowings and other Liabilities.
Statement No.7	Statement of Loans & Advances given by the Government.
Statement No.8	Statement of Grants-in-Aid given by the Government.
Statement No.9	Statement of Guarantees given by the Government.
Statement No.10	Statement of Voted & Charged Expenditure.
PART-II	
Statement No.11	Detailed Statement of Revenue & Capital Receipts by Minor Heads.
Statement No.12	Detailed Statement of Revenue Expenditure by Minor Heads.
Statement No.13	Detailed Statement of Capital Expenditure by Minor Heads.
Statement No.14	Detailed Statement of Investments of the Government.
Statement No.15	Detailed Statement of Borrowings & other Liabilities.
Statement No.16	Detailed Statement on Loans & Advances given by the Government.
Statement No.17	Detailed Statement on Sources & Applications of Fund for Expenditure other than Revenue Account.
Statement No.18	Detailed Statement in Contingency Fund & other Public Account Transactions.
Statement No.19	Detailed Statement on Investments of Earmarked Funds.

Appendix 1.1 contd.

PART-III	
Appendices	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid (Scheme wise and Institution wise)
V	Externally Aided Projects
VI	Plan Scheme Expenditure (Central and State Plan Schemes)
VII	Direct transfer of central scheme funds to implementing agencies in the State
VIII	Summary for Balances
IX	Financial results of Irrigation Schemes
X	Incomplete Works
XI	Maintenance expenditure with segregation of salary and non salary portion
XII	Statement on implication on major policy decisions during the year on new schemes

Appendix 1.2
Part A
(Reference: page 1)
Methodology adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the Thirteenth Finance Commission (*Th FC*) for selected fiscal variables along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**), are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, capital expenditure, internal debt, and revenue and fiscal deficits have been presented as percentage to the GSDP at current prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources pattern of expenditure, etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2009-10	2010-11	2011-12*	2012-13*	2013-14*
Gross State Domestic Product (₹ in crore)	70,730	83,969	97,858	1,07,868	1,22,433
Growth rate of GSDP	26.25	18.72	16.54	10.23	13.50

Source: Information provided by HQs' Office.

* Provisional * Quick * Advance

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Thirteenth Finance Commission report has been adopted:

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average *i.e.* if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average no adjustments were made. Wherever this ratio was less than average it was made equal to the national average.

Step 3: Based on the national average of DE-AE SSE-AE and COAE derive the respective DE SSE and CO so that no State is having these ratios less than national average *i.e.* if

$$DE/AE = y$$

$$DE = y * AE \dots\dots\dots(2)$$

where y is the national average of DE-AE ratio

Substituting (1) in (2) we get

$$DE = y * x * GSDP \dots\dots\dots(3)$$

Wherever the States are having DE-AE SSE-AE and CO-AE ratio higher than national average no adjustments have been made. Wherever these ratios were less than average it was made equal to the national average.

Step 4: Based on the derived DE SSE and CO as per equation (3) respective per capita expenditure was calculated *i.e.*

$$PCDE = DE/P \dots\dots\dots(4)$$

where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4) we get

$$PDE = (y * x * GSDP)/P \dots\dots\dots(5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

Appendix 1.2

Part B

(Reference: Paragraph: 1.1; page 2)

**Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005
(Partially modified in March 2011 in accordance with the recommendations of Thirteenth Finance Commission)**

To provide for the responsibility of the State government to ensure fiscal stability and sustainability and to enhance the scope for improving social and physical infrastructure and human development by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct to fiscal policy and prudent debt management through limits on State government borrowings, Government guarantees debt and deficits, greater transparency in fiscal operations of the State government and use of a medium term fiscal framework and for matters connected therewith or incidental thereto.

In particular the State government shall-

- (a) reduce revenue deficit to nil within a period of four financial years beginning from the 1st day of April 2011 and ending on the 31st day of March 2015;
- (b) keep fiscal deficit to 3.5 *per cent* of Gross State Domestic Product in 2011-12 and 2012-13 and then to 3 *per cent* in 2013-14 and 2014-15 as has been recommended by Thirteenth Finance Commission;
- (c) ensure that in ensuing four years period beginning from 1st April 2011 upto March 2015 the ratio of fiscal liabilities vis-à-vis GSDP shall not be more than 41.10 *per cent*, 40.00 *per cent*, 38.50 *per cent* and 37.20 *per cent* respectively;
- (d) reduce fiscal deficit as percentage of Gross State Domestic Product in each of the financial years referred to in clause (a) in a manner consistent with the goal set out in clause (c);
- (e) Review the targets set forth by the State government above once in six months;
- (f) not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State government existing at the time of the coming into force of this Act or any rule or law to be made by the State government subsequent to coming into force of this Act; and
- (g) Ensure within a period of ten financial years; beginning from the initial financial year on the 1st day of April 2005 and ending on the 31st day of March 2015 that the total liabilities at the end of the last financial year do not exceed twenty five *per cent* of the estimated Gross State Domestic Product for that year.

**Outcome indicators of the State's Own Fiscal Correction Path through
Mid Term Fiscal Policy**

(₹ in crore)

	2012-13 (Actual)	2013-14 (Budgeted)	2013-14 (Revised)	2014-15 (Budgeted)	2015-16 (Projected)	2016-17 (Projected)	2017-18 (Projected)
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	6,414.24	7,111.42	7,288.52	8,023.26	9,306.98	10,796.10	12,523.47
2. Own Non-Tax Revenue	1,602.88	1,216.26	1,262.16	1,807.46	1,412.05	1,276.62	1,162.75
3. Own Tax +Non-Tax Revenue (1+2)	8,017.12	8,327.68	8,550.69	9,830.72	10,719.03	12,072.72	13,686.22
4. Share in Central Taxes and Duties	3,272.88	3,896.39	3,896.39	4,134.00	4,630.08	5,185.69	5,807.97
5. Plan-Grants	3,588.57	6,107.07	6,805.74	9,772.19	10,749.41	8,814.75	9,696.22
6. Non-Plan Grants	868.65	624.58	1,296.62	737.54	737.54	737.54	737.54
7. Total Central Transfer (4 to 6)	7,730.10	10,628.04	11,998.75	14,643.73	16117.03	14,737.98	16,241.74
8. Total Revenue Receipts (3+7)	15,747.22	18,955.72	20,549.44	24,474.45	26,836.06	26,810.69	29,927.96
9. Plan Expenditure	5,511.09	8,710.38	9,784.61	11,677.23	12,844.95	11,119.85	13,343.82
10. Non-Plan Expenditure	13,751.16	16,619.46	17,214.10	18,676.55	20,917.74	23,427.86	26,942.04
11. Salary Expenditure	6,044.28	7,404.18	7,155.61	8,144.60	9,203.40	10,399.84	11,959.81
12. Pension	1,365.68	1,989.55	2,014.55	2,424.48	2,691.17	2,987.20	3,315.79
13. Interest Payments	2,088.73	2,540.85	2,245.85	2,947.93	3,365.57	3,833.78	4,355.28
14. Subsidies-General	--	--	--	--	--	--	--
15. Subsidies-Power	--	--	--	--	--	--	--
16. Total Revenue Expenditure (9+10)	13,960.22	18,054.20	19,001.05	23,792.03	26,409.15	26,277.20	28,249.44
17. Salary+Interest+ Pensions (11+12+13)	9,498.69	11,934.58	11,416.01	13,517.01	15,260.14	17,220.82	19,630.89
18. As per cent of Revenue Receipt (17/8)	60.32	62.96	55.55	55.23	56.86	64.23	65.59
19. Revenue surplus/ deficit (8-16)	1,787.00	901.52	1,548.39	682.42	426.91	533.49	1,678.52
B. CONSOLIDATED REVENUE ACCOUNT							
Consolidated Revenue Surplus/Deficit	1,787.00	901.52	1,548.39	682.42	426.91	533.49	1,678.52
C. CONSOLIDATED DEBT:							
1. Outstanding Debt and liability*	23,519.10	28,498.94	27,104.31	31,051.52	35,691.94	40,894.29	46,688.78
2. Total Outstanding Guarantee	1,570.15	1,570.15	1,474.57	1,474.57	1,474.57	1,474.57	1,474.57
D. Capital Account							
1. Capital Outlay	3,542.10	4,874.19	5,266.47	4,591.37	5,142.33	5,810.84	6,973.01
2. Disbursement of Loans and Advances	272.57	248.66	616.41	212.59	50.00	50.00	600.00
3. Recovery of Loans and Advances	428.44	684.59	739.59	45.70	125.00	125.00	100.00
4. Other capital receipts	2,982.59	3,536.74	3,594.90	4,075.84	4,640.42	5,202.34	5,794.49

Audit Report on State Finances for the year ended 31 March 2014

E. GROSS FISCAL DEFICIT (GFD) :	1,599.23	3,536.74	3,594.90	4,075.84	4,640.42	5,202.34	5,794.49
GSDP (₹ in crore) at Current Prices	1,08,343.39	1,21,994.70	1,21,994.70	1,37,366.00	1,54,674.10	1,74,163.00	1,96,107.60
F. FISCAL DEFICIT :							
Actual/Assumed Nominal Growth Rate (per cent)	15.06	12.60	12.60	12.60	12.60	12.60	12.60
* It includes amount of provident fund.							

Appendix 1.3
(Reference: Paragraphs 1.3, 1.9.2 and 1.10 (ii); pages 10, 27 & 31)
Time series data on the State Government Finances

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Part A. Receipts					
1. Revenue Receipts	9,486	11,608	13,691	15,747	17,321
(i) Tax Revenue	3,559(38)	4,405(38)	5,616(41)	6,414(41)	7,356(42)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade etc.	2,247(63)	2,940(67)	3,644(65)	4,289(67)	4,903(67)
State Excise	705(20)	756(17)	844(15)	1,118(17)	1,269(17)
Taxes on Vehicles	184(5)	227(5)	335(6)	304(5)	369(5)
Stamps and Registration fees	399(11)	440(10)	524(9)	648(10)	687(10)
Land Revenue	9(0.25)	18(0.41)	10(--)	11(--)	22(--)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	15(0.42)	24(0.54)	259(5)	44(1)	106(1)
(ii) Non Tax Revenue	632 (7)	678(6)	1,136(8)	1,603(10)	1,317(8)
(iii) State's share of Union taxes and duties	1,550(16)	2,460(21)	2,866(21)	3,273(21)	3,573(21)
(iv) Grants in aid from Government of India	3,745(39)	4,065(35)	4,073(30)	4,457(28)	5,075(29)
2. Miscellaneous Capital Receipts	--	--	--	--	180
3. Recoveries of Loans and Advances	65	85	91	428	55
4. Total Revenue and Non debt capital receipts (1+2+3)	9,551	11,693	13,782	16,175	17,556
5. Public Debt Receipts	1,682	2,427	2,336	2,968	3,873
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,582(94)	2,384(98)	2,289(98)	2,933(99)	3,838(99)
Net transactions under Ways and Means Advances and Overdrafts	69(4)	--	--	--	--
Loans and Advances from Government of India	319(2)	43(2)	47(2)	35(1)	35(1)
6. Total Receipts in the Consolidated Fund (4+5)	11,233	14,120	16,118	19,143	21,429
7. Contingency Fund Receipts	37	582	126	32	412
8. Public Account Receipts	14,226	18,829	19,668	21,925	25,954
9. Total Receipts of the State (6+7+8)	25,496	33,531	35,912	41,100	47,795
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	10,657	11,621	12,975	13,960	16,216
Plan	2,299(22)	2,472(21)	2,321(18)	2,427(17)	2,767(17)
Non Plan	8,358(78)	9,149(79)	10,654(82)	11,533(83)	13,449(83)
General Services (including interest payments)	3,694(35)	4,180(36)	4,475(35)	5,372(38)	6,182(38)
Social Services	4,980(47)	5,169(44)	6,019(46)	6,096(44)	7,298(45)
Economic Services	1,658(16)	1,864(16)	2,102(16)	1,995(14)	2,068(13)
Grants-in-aid and contributions	325(3)	408(4)	379(3)	497(4)	668(4)
11. Capital Expenditure	1,647	1,855	2,317	3,542	3,712
Plan	995(60)	1,859(100)	2,071(89)	2,972(84)	3,138(85)
Non Plan	651(40)	(- 4)	246(11)	570(16)	574(15)
General Services	109(7)	105(5)	77(3)	129(4)	138(4)
Social Services	109(7)	235(13)	369(16)	715(20)	841(22)
Economic Services	1,429(87)	1,515(82)	1,871(81)	2,698(76)	2,733(74)
12. Disbursement of Loans and Advances	30	60	247	273	278
13. Total (10+11+12)	12,334	13,536	15,539	17,775	20,206
14. Repayments of Public Debt	473	519	1,016	1,472	1,317
Internal Debt (excluding Ways and Means Advances and Overdrafts)	437	448	667	1,412	1,266

Audit Report on State Finances for the year ended 31 March 2014

Net transactions under Ways and Means Advances and Overdraft	--	45	323	31	--
Loans and Advances from Govt. of India	36	26	26	29	51
15. Appropriation to Contingency Fund	--	515	(-) 400	--	400
16. Total disbursement out of Consolidated Fund (13+14+15)	12,807	14,570	16,155	19,247	21,923
17. Contingency Fund disbursements	71	537	69	32	194
18. Public Account disbursements	12,322	17,733	19,832	20,961	25,190
19. Total disbursement by the State (16+17+18)	25,200	32,840	36,056	40,240	47,307
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 1,171	(-) 13	(+)716	(+)1,787	(+)1,105
21. Fiscal Deficit (4-13)	2,783	1,843	1,757	1,600	2,650
22. Primary Deficit (21+23)	(-) 1,445	(-) 363	(+) 12	(+)489	(-)594
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1,338	1,480	1,769	2,089	2,056
24. Financial Assistance to local bodies etc.	324	408	379	497	668
25. Ways and Means Advances/Overdraft availed (days)	107/09	93	73	2	16
26. Interest on Ways and Means Advances/Overdraft	2	1	0.88	0.01	0.09
27. Gross State Domestic Product (GSDP)[®]	70,730	83,969	97,858	1,07,868	1,22,433
28. Outstanding Fiscal liabilities (year end)	18,748	21,598	23,609	25,540	28,767
29. Outstanding guarantees (year end) (including interest)	1,511	1,511	1,739	1,570	1,475
30. Maximum amount guaranteed (year end)	1,386	2,122	2,722	2,722	2,513
31. Number of incomplete projects (in numbers)	140	89	63	192	96
32. Capital blocked in incomplete projects (₹ in crore)	2,081	63	121.80	95	266
Part E. Fiscal Health Indicators (in ratios)					
I Resource Mobilization					
Own Tax revenue/GSDP	0.05	0.05	0.06	0.06	0.06
Own Non-Tax Revenue/GSDP	0.01	0.01	0.01	0.01	0.01
Central Transfers/GSDP	0.07	0.08	0.07	0.07	0.07
II Expenditure Management					
Total Expenditure/GSDP	0.17	0.16	0.16	0.16	0.17
Total Expenditure/Revenue Receipts	1.30	1.17	1.13	1.13	1.17
Revenue Expenditure/Total Expenditure	0.86	0.86	0.83	0.79	0.80
Expenditure on Social Services/Total Expenditure	0.41	0.40	0.41	0.40	0.40
Expenditure on Economic Services/Total Expenditure	0.25	0.25	0.26	0.26	0.24
Capital Expenditure/Total Expenditure	0.13	0.14	0.15	0.20	0.18
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.12	0.13	0.14	0.19	0.18
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(-) 0.017	(-) *	(+) 0.007	(+) 0.016	(+) 0.009
Fiscal deficit/GSDP	(-) 0.039	(-) 0.022	(-) 0.018	(-) 0.014	(-) 0.022
Primary Deficit (surplus) /GSDP	(-) 0.020	(-) 0.004	(+) *	(+) 0.004	(-) 0.005

Revenue Deficit/Fiscal Deficit	(-) 0.420	(-) 0.007	(+) 0.408	(-) 1.117	(-) 0.417
Primary Revenue Balance/GSDP	(-) 0.036	(-) 0.018	0.010	0.002	(-) 0.007
<i>IV Management of Fiscal Liabilities</i>					
Fiscal Liabilities/GSDP	0.27	0.26	0.24	0.22	0.23
Fiscal Liabilities/RR	1.98	1.86	1.72	1.62	1.66
Primary deficit vis-à-vis quantum spread	(+)2,083	(+)1,592	(+)1,811	(+)2,164	(+) 1,112
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.95	0.83	0.94	1.00	0.82
<i>V Other Fiscal Health Indicators</i>					
Return on Investment	0.07	0.21	0.05	0.19	0.30
Balance from Current Revenue (₹ in crore)	(-) 1,384	(-) 46	(-)250	(+)775	(-) 223
Financial Assets/Liabilities	0.82	0.77	0.82	0.90	0.96

Figures in brackets represent percentages (rounded) to total of each sub-heading.

@ GSDP figures communicated by the Government adopted.

* Not computable

Appendix 1.4 (Reference: Paragraphs 1.1.1 and 1.9.2; pages 2 & 27) Part A Abstract of Receipts and Disbursements for the year 2013-14 (₹ in crore)										
Receipts					Disbursements					
Various items	2012-13		2013-14		Various items	2012-13	2013-14			
	2.	3.	4.	5.		7.	Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Section – A Revenue										
I-Revenue Receipts		15,747.22		17,320.53	I-Revenue Expenditure	13,960.22	13,449.44	2,766.97	16,216.41	16,216.41
(i) Tax revenue	6,414.24		7,355.34		General Services	5,372.23	6,178.37	3.67	6,182.04	
(ii) Non-tax revenue	1,602.88		1,316.54		Social Services	6,095.84	5,074.62	2,223.39	7,298.01	
(iii) State's share of Union Taxes and Duties	3,272.88		3,573.38		Education Sports Art and Culture	3,739.78	3,472.02	595.52	4,067.53	
(iv) Non-Plan Grants	868.64		980.77		Health and Family Welfare	805.47	587.92	311.31	899.23	
(v) Grants for State Plan Schemes	3,040.12		3,558.07		Water Supply Sanitation Housing and Urban Development	508.63	228.17	319.41	547.58	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	548.46		536.43		Information and Broadcasting	41.49	47.33	0.98	48.31	
					Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	205.28	93.73	158.14	251.87	
					Labour and Labour Welfare	70.62	72.33	25.72	98.05	
					Social Welfare and Nutrition	680.70	561.66	785.10	1,346.76	
					Others	43.87	11.46	27.21	38.67	
					Economic Services	1,995.29	1,528.04	539.91	2,067.95	
					Agriculture and Allied Activities	1,058.06	753.62	259.80	1,013.41	
					Rural Development	284.96	204.56	151.96	356.52	
					Special Area Programme	--	--	--	--	
					Irrigation and Flood Control	308.88	316.42	2.88	319.30	
					Energy	13.90	3.68	3.69	7.37	
					Industry and Minerals	43.43	29.37	25.01	54.39	
					Transport	209.88	190.88	33.72	224.59	
					Science Technology and Environment	9.15	0.85	7.68	8.53	
					General Economic Services	67.03	28.67	55.17	83.84	
					Grants-in-aid and Contributions	496.86	668.41	--	668.41	
Total		15,747.22		17,320.53	Total	13,960.22				16,216.41
II-Revenue Deficit carried over to Section-B		--		--	II-Revenue Surplus carried over to Section-B	1,787.00				1,104.12
Total		15,747.22		17,320.53	Total	15,747.22				17,320.53

Various items	2012-13		2013-14		Various items	2012-13	2013-14					
	1.	2.	3.	4.		5.	6.	7.	Non-Plan	Plan	Total	11.
III-Opening cash balance including Permanent Advances and Cash Balance Investment			1,085.18		1,945.54	III- Opening overdraft from Reserve Bank of India	--					--
IV- Misc. Capital Receipts	--	--			180.40	IV- Capital Outlay	3,542.09	573.76	3,138.27	3,712.03	3,712.03	
						General Services	129.37	37.49	100.41	137.90		
						Social Services	714.82	0.15	840.66	840.81		
						Education Sports Art and Culture	246.82	--	306.96	306.96		
						Health and Family Welfare	139.31	--	148.02	148.02		
						Water Supply Sanitation Housing and Urban Development	268.11	--	282.84	282.84		
						Information and Broadcasting	--	--	--	--		
						Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	37.35	0.15	78.28	78.43		
						Social Welfare and Nutrition	5.98	--	14.15	14.15		
						Others	17.25	--	10.41	10.41		
						Economic Services	2,697.90	536.12	2,197.20	2,733.32		
						Agriculture and Allied Activities	541.97	531.87	66.21	598.08		
						Rural Development	246.73	1.76	324.20	325.97		
						Special Areas Programmes	--	--	--	--		
						Irrigation and Flood Control	386.85	2.48	457.60	460.08		
						Energy	516.12	--	255.62	255.62		
						Industry and Minerals	16.86	--	9.36	9.36		
						Transport	969.14	--	1,051.80	1,051.80		
						General Economic Services	20.23	--	32.41	32.41		
						Total	3,542.09					3,712.03
V-Recoveries of Loans and Advances			428.44		55.23	V- Loans and Advances disbursed	272.57	1.76	276.23	277.99	277.99	
From Power Projects	422.16			47.26		For Power Projects	84.35	--	52.53	52.53		
From Government Servants	4.49			3.60		To Government Servants	1.03	1.27	--	1.27		
From Others	1.79			4.37		To others	187.19	0.49	223.70	224.19		
VI-Revenue surplus brought down			1,787.00		1,104.12	VI-Revenue deficit brought down	--	--	--	--		
VII-Public Debt Receipts			2,967.43		3,873.17	VII-Repayment of Public Debt	1,472.21					1,316.81

Audit Report on State Finances for the year ended 31 March 2014

Various items	2012-13		2013-14		Various items	2012-13	2013-14			
	2.	3.	4.	5.			8.	9.	Total	11.
I.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Internal Debt other than Ways and Means Advances and Overdraft	2,932.72		3,838.21		Internal debt other than Ways and Means Advances and Overdraft	1,412.90			1265.51	
Net transactions under Ways and Means Advances including Overdraft	--		--		Net transactions under Ways and Means Advances and Overdraft	30.69	--	--	--	
Loans and Advances from the Central Government	34.71		34.96		Repayment of Loans and Advances to Central Government	28.62			51.30	
VIII- Appropriation to Contingent Fund		--		--	VIII-Appropriation to Contingency Fund	--				400
IX- Amount transferred to Contingent Fund		32.22		412.00	IX- Expenditure from Contingency Fund	32.07				194.48
X- Public Account Receipts		21,925.45		25,954.59	X- Public Account disbursements	20,961.24				25,190.33
Small Savings and Provident Funds	1,159.18		1,313.17		Small Savings and Provident Funds	888.06			990.73	
Reserve Funds	279.72		468.31		Reserve Funds	183.09			472.24	
Deposits and Advances	2,359.47		3,086.84		Deposits and Advances	2,140.68			2,735.10	
Suspense and Miscellaneous	15,010.04		16,269.57		Suspense and Miscellaneous	14,531.10			16,492.77	
Remittances	3,117.04		4,816.69		Remittances	3,218.31			4,499.49	
XI- Closing overdraft from Reserve Bank of India					XI-Cash Balance at end	1,945.54				2,433.41
					Cash in Treasuries and Local Remittances	--			--	
					Departmental Cash Balance including Permanent Advances	(-) 3.02			(-)3.02	
					Deposits with Reserve Bank	(-)5.21			558.31	
					Cash Balance investment and investment of earmarked funds	1,953.77			1,878.12	
Total		28,225.72		33,525.05	Total	28,225.72				33,525.05

Appendix 1.4 (Continued)

Part B

(Reference: Paragraph 1.9.1; page 27)

Summarized financial position of the Government of Uttarakhand as on 31 March 2014

(₹ in crore)

As on 31.03.2013	Liabilities	As on 31.03.2014
18,337.22	Internal Debt -	20,909.92
9,194.32	Market Loans bearing interest	10,930.44
0.13	Market Loans not bearing interest	0.12
1.50	Loans from Life Insurance Corporation of India	1.50
9,141.27	Loans from other Institutions	9,977.86
--	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
461.54	Loans and Advances from Central Government -	445.20
0.53	Pre 1984-85 Loans	0.53
6.65	Non-Plan Loans	5.97
430.19	Loans for State Plan Schemes	438.70
0.04	Loans for Central Plan Schemes	--
24.13	Loans for Centrally Sponsored Plan Schemes	--
200.00	Contingency Fund (Corpus)	600.00
4,720.34	Small Savings Provident Funds etc.	5,042.79
1,871.49	Deposits	2,223.22
1,228.09	Reserve Funds	1,224.16
--	Remittance Balances	--
26,818.68	Total	30,445.29

Changed Proforma*

Appendix 1.4 Part B (Continued)

As on 31.03.2013	Assets	As on 31.03.2014
21,121.97	Gross Capital Outlay on Fixed Assets -	23,834.00
2,396.90	Investments in shares of Companies Corporations etc.	2,676.51
17,725.07	Other Capital Outlay	21,157.49
718.21	Loans and Advances	940.97
76.86	Loans for Power Projects	82.12
629.70	Other Development Loans	866.68
11.65	Loans to Government servants and Miscellaneous loans	(-) 7.83
97.15	Contingency Fund (un-recouped)	279.63
1,441.73	Remittance	1,124.53
359.41	Suspense and Miscellaneous Balances	377.57
1,945.54	Cash -	2,433.41
--	Cash in Treasuries and Local Remittances	--
(-)5.21	Deposits with Reserve Bank	558.31
(-)2.15	Departmental Cash Balance	(-) 2.15
(-)0.87	Permanent Advances	(-) 0.87
1,953.77	Cash Balance Investments	1,878.12
2,134.67	Deficit on Government Account -	1,455.18
1,787.00	(i) Deduct Revenue Surplus of the current year	1,104.12
--	(ii) Appropriation to Contingency Fund and Misc. Capital Receipt	(-) 219.60
--	(iii) Amount close to Government Account	(-) 205.03
4,546.67	(iv) Accumulated deficit at the beginning of the year	2,134.67
740.00	(v) Deduct Proforma correction*.	--
26,818.68	Total	30,445.29

Changed Proforma*

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in **Appendix 1.4** indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc. There was a difference of ₹ 3.33 crore (Credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation.

* Office of the AG (A&E) made a correction in "Capital Major Head-4885-01-190" for rectifying incorrect booking of receipts by State Infrastructure and Industrial Development Corporation of Uttarakhand Limited, Dehradun in the Finance Account 2013-14 (vide Office of the CAG of India letter No. 143/67/UK/Acc.2/SIDCUL/2010 dated 02-04 -2014) pertaining to the year 2012-13

Appendix 1.5

(Reference: Paragraph 1.2.2; page 9)

Statement showing the funds transferred to the State implementing agencies under programmes/schemes outside the State Budget during 2013-14

(`in crore)

Sl. No	Scheme Name	Agency Name/Agency Type	Releases
1	Mahatma Gandhi National Rural Employment Guarantee	Uttarakhand Rajya Rojgar Gaurantee Sanstha State Govt. Institution	330.01
2	Sarva Shiksha Abhiyan (SSA)	Uttarakhand Sabhi Ke Liye Shiksha Parishad (Registered Society) Govt. ABs	220.43
3	National Rural Health Mission (NRHM)	Uttarakhand Health & Family Welfare Society(T.B.C.) (Registered Society) Govt. ABs	191.12
4	Support to Indian Institute of Technology (IITs)	IIT Roorkee,Uttarakhand (Registered Society) Govt. ABs	150.00
5	Grants in Aid to F and WL Institutions	Forest Research Institute(ICFRE),Wildlife Institute of India (Registered Society) Govt. ABs	138.46
6	National Rural Drinking Water Programme	SWSM,Uttarakhand (Registered Society) Govt. ABs	87.61
7	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Uttarakhand Sabhi Ke Liye Madhyamik Shiksha Parishad (Registered Society) Govt. ABs	75.72
8	Rural Housing - IAY	DRDA (Registered Society) Govt. ABs	64.05
9	Autonomous Institutions and Professional Bodies	Aryabhata Research Institute of observational sciences (ARIES),Wadia Institute of Himalayan Geology (Registered Society) Govt. ABs	58.89
10	Pradhan Mantri Swasthya Suraksha Yojna	AIIMS, Rishikesh (Registered Society) Govt. ABs	51.75
11	Support to Indian Institute of Management(IIMs)	IIM, Kashipur (Registered Society) Govt. ABs	40.44
12	Package for (other than north east) Special Category States	SIDCUL State Govt. PSUs	38.17
13	Support to national Institute of Technology(NITs) including Ghani Khan Institute	Notational Institute of Technology of Uttarakhand (Registered Society) Govt. ABs	37.00
14	MPs Local Area Development Scheme MPLADS	District Magistrate Local Bodies	35.00
15	OFF Grid DRPS	UREDA, Gautam Polymers, IIT, Roorkee, Bahl Paper Mills, Rishi Chemical works. (Registered Society) Govt. ABs and Privet Sector companies	34.37
16	Product/Infrastructure Development for Destinations and Circuits	Uttarakhand Tourism Development Board Statutory bodies	28.04
17	Panchayat Yuva Krida and Khel Abhiyan(PYKKA)	State Youth Welfare Board, Uttarakhand (Registered Society) Govt. ABs	24.04
18	National Institutes for disabled	NIVH, Uttarakhand (Registered Society) Govt. ABs	19.80
19	Scheme for Infrastructure Development FPI	Rajshree Milk Products, Patanjali Food and Herbal Park Privet Sector Companies	17.26
20	Adult Education & Skill Development Scheme	State Literacy Mission Authority Registered Societies (NGO)	15.63
21	Research and Development for Conservation and Development	FRI, GPGC, G.B. Pant Institute of Himalayan Studies (Registered Society) Govt. ABs and State Govt. Inst.	14.77
22	National AIDS control Programme including STD control	Uttarakhand State Aids Control Society (Registered Society) Govt. ABs	14.06
23	National Food Security Mission	Small Farmers Agri-Business Consortium (SFAC) (Registered Society) Govt. ABs	13.46
24	Research design and Development in New and Renewable Energy	IIT, Roorkee, CSIR, University of Petroleum & Energy Studies (Registered Society) Govt. ABs and Statutory Bodies	12.17
25	Hydrology Project	National Institute of Hydrology (Registered Society) Govt. ABs	11.50

Audit Report on State Finances for the year ended 31 March 2014

26	Integrated Watershed Management Programme	DRDA (Registered Society) Govt. ABs	10.32
27	Research and Development Water Resources	National Institute of Hydrology (Registered Society) Govt. ABs	9.90
28	Oversight Committee Department of Health and Family Welfare	AIIMS, Rishikesh (Registered Society) Govt. ABs	8.00
29	DRDA Administration	DRDA (Registered Society) Govt. ABs	7.96
30	Aajeevika -Swarna Jayanti Gram Swarojgar Yojna	State PMU- NRLM (Registered Society) Govt. ABs	7.76
31	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	Director, Panchayati raj, Uttarakhand, State Gov. Institutions	6.84
32	Swarna Jayanti Shahri Rojgar Yojna (SJSRY)	State Urban development Agency, Uttarakhand, Registered Societies (Govt. ABs)	6.54
33	International Cooperation S & T	CBRI, IIT Roorkee, IIP (CSIR), ARIES, WIHG, Kumaun University etc. (Registered Society) Govt. ABs and Statutory Bodies	6.23
34	Assistance to Disabled persons for purchase/Fitting	National Institute for the visually Handicapped, Gramin kshatraVikas Samiti Registered Societies Govt. ABs and NGO	6.03
35	Afforestation and Forest Management	Uttarakhand State Forest Development Agency, Registered Societies (Govt. ABs)	6.01
36	Others		103.31
			1,902.65

Appendix 1.6
(Reference: Paragraph 1.8.3.1; page 24)
List of Completed Public Private Partnership Projects

(₹ in crore)

Sl. No.	Project Name	Agency/Department	Value	Sector
1	O & M of Mobile Hospital units	Director General of Medical Health & Family Welfare/Health Department	23.40	Social
2	O & M of MRI Machine at Doon Hospital Dehradun	Director General of Medical Health & Family Welfare/Health Department	5.00	Social
3	Nephrology, Dialysis Unit at Coronation Hospital Dehradun	Director General of Medical Health & Family Welfare/Health Department	5.40	Social
4	Cardiac Care Unit at Coronational Hospital, Dehradun	Director General of Medical Health & Family Welfare/Health Department	17.67	Social
5	Nephrology, Dialysis Unit at Base Hospital Haldwani	Director General of Medical Health & Family Welfare/Health Department	5.40	Social
6	108 Emergency Response Services	Director General of Medical Health & Family Welfare/Health Department	11.00	Social
7	Pt Deen Dayal Upadhaya Parking at Haridwars	UTDB/Tourism	-	Tourism
8	ISBT	MDDA/Housing	20.00	Transport
	Total		87.87	

Appendix 1.7
(Reference: Paragraph 1.8.3.1; page 24)
List of PPP Projects under Bidding

(₹ in crore)

Sl. no	Project Name	Sector	Department	Agency	Value
1	Gau Anusandhan Kendra (Gau Vigyan And Prodyagike Sansthan)	Agriculture	Animal Husbandry	ULDB	7.26
2	Co-Generation of power in the sugar mills	Agriculture	Cane Development	--	60.00
3	Kho-III-SHP	Energy	Energy	UJVNL/UIP	34.19
4	Kho-II-SHP	Energy	Energy	UJVNL/UIP	34.85
5	Seraghat SHP	Energy	Energy	UJVNL/UIP	116.86
6	Birithi	Energy	Energy	UJVNL/UIP	9.19
7	Balgad SHP	Energy	Energy	UJVNL/UIP	145.40
8	Purkul SHP	Energy	Energy	UJVNL/UIP	12.98
9	Nayar SHP and Santudhar-II	Energy	Energy	UJVNL/UIP	173.98
10	Santudhar-I	Energy	Energy	UJVNL/UIP	20.17
11	Byaligaon	Energy	Energy	UJVNL/UIP	22.95
12	Cardiac Care Unit at Combined Hospital, Roorkee	Social	Health	Directorate	3.50
13	Hostal for mentally Handicapped Children	Social	Social Welfare	Social Welfare	2.00
14	Hostel for Working Women	Social	ICDS	ICDS	--
15	Learning and Training Centre for Schools	Social	School Education	Directorate	0.40
16	Diagnostic Centre Kotdwar	Social	Health	Directorate	12.00
17	Diagnostic Centre Pithoragarh	Social	Health	Directorate	12.00
18	Greenfield Project for Residential Schools	Social	School Education	Directorate	73.75
19	ICT at 500 School	Social	School Educations	Directorate of School Education	76.00
20	Primary Schools	Social	School Educations	Directorate of School Education	1.00
21	PPP at District/Base/Combined Hospitals	Social	Health	Directorate General of Medical Health & Family Welfare	--
22	Operation of MHV on BOT Basis (Roll out Phase)	Social	Health	Directorate General of Medical Health & Family Welfare	72.00
23	Physiotherapy Unit in Coronation Hospital	Social	Health	Directorate General of Medical Health & Family	0.16
24	Monitoring of teachers Attendance in Primary Schools	Social	School Educations	Directorate of School Education	13.60
25	Providing Health Services at Gaurigaon enroute Kendarnath Yatra	Social	Health	Directorate General of Medical Health & Family Welfare	--
26	Setting up of 104: Tele Triage and Telej Medicine in Uttarakhand	Social	Health	Directorate General of Medical Health & Family Welfare	--
27	Setting up Degree College at Uffrainkhal	Social	Higher Education	Directorate of School Education	--
28	Restaurant Shopping Mall/Shopping Complex Development at Kham Garden Complex, Haldwani	Tourism	Tourism	KMVN	0.35
29	Restaurant/Shopping Mall/Shopping Complex Development at Delhi Highway, Rudrapur	Tourism	Tourism	KMVN	0.35
30	Dehradun-Mussooie Ropeway	Tourism	Tourism	UTDB/UIPC	786.10
31	Rambara-Kedarnath Ropeway	Tourism	Tourism	UTDB/UIDEC	70.00
32	Rishikesh Neelkanth Ropeway	Tourism	Tourism	UTDB/UIDE	33.00
33	Rehabilitaion of Tilwara Rosen Unit	Tourism	Tourism	GMVN	10.00
34	Packaged Drinking Water & Fruit Processing Unit	Tourism	Tourism	GMVN	1.00
35	Econ Log Huts, Lansdowne	Tourism	Tourism	UTDB	4.00
36	Re Development of Inspection Houses	Tourism	Irrigation	Irrigation	
37	Automated Vehicle Testing Lane	Transport	Transport	Transport	2.00
38	Door to Door Collection of Solid waste, Composting & Recycling at Karnaprayag	Urban	Urban Development	Karnapraya	0.96
	Total				1,812.00

Appendix 1.8
(Reference: Paragraph 1.8.3.1; page 24)
List of PPP Projects in Pipeline

(₹ in crore)

Sl.no	Project Name	Sector	Department	Agency	Value
1	Soil Testing Lab	Agriculture	Agriculture	--	00
2	Running of Marketing Centres in PPP	Agriculture	Agriculture	--	00
3	Farmer Information centre	Agriculture	Agriculture	--	00
4	Rehabilitatinn of Sheep farms	Agriculture	Animal Husbandry	Sheep and Wool board	00
5	Tissue Culture Centres for Cane	Agriculture	Cane Development & Sugar Industry	--	1.00
6	Compost Plant (Mandi Parishad)	Agriculture	Agriculture	Mandi Parishad	00
7	Cow Shelter	Agriculture	Animal Husbandry	Directorate of Agriculture	00
8	Kosi Valley Hydel Project	Energy	Energy	UIPC	93.00
9	Rehabilitation of Gharats and linking in Food products value chain	Energy	Energy	UREDA	14.00
10	Interlinking of Micro-Hydel Projects and the Grid	Energy	Energy	UREDA	7.42
11	JV for Coal Block for captive Mining and power generation	Energy	Energy	UJVNL	00
12	Widening & Improvement of Rudrapur-Haldwani Motor Road (SH-5)	Roads	PWD	PWD	53.00
13	Widening & Improvement of Kathgodam-Bhwali Motor Road (SH-10)	Roads	PWD	PWD	35.00
14	Widening & Improvement of Nainital to Kaladhungi	Roads	PWD	PWD	100.00
15	Setting up of Paramedical institute in Uttarakhand	Social	Health	Directorate General of	00
16	Setting up Pharmacies at Hospital	Social	Health	Directorate General of Medical health & Family Welfare	00
17	Trauma Centres in PPP Mode	Social	Health	Directorate General of Medical health & Family Welfare	00
18	Setting up of Tele Medicine in Uttarakhand	Social	Health	Directorate General of Medical health & Family Welfare	1.14
19	Providing Emergency Rotary Wing Air Ambulances Services in Uttarakhand in Public Private Partnership (PPP) Mode	Social	Health	Directorate General of Medical health & Family Welfare	00
20	Health City in Srinagar	Social	Medical Education	Directorate General of Health	00
21	Medical College in Almora	Social	Medical Education	Directorate General of Medical health & Family Welfare	240.00
22	Medical College in Rudrapur	Social	Medical Education	Directorate General of Medical health & Family Welfare	240.00
23	Hostel for street children	Social	Social Welfare	--	7.41
24	Hostel for Physically Handicapped Children	Social	Social Welfare	--	2.00
25	IC T at 70 Degree Colleges	Social	Higher Education	Directorate of School Education	14.00
26	Setting up English language learning centre	Social	School Education	Directorate of School Education	0.65
27	Setting up of an ITI at seven locations across Uttarakhand	Social	Technical Education	Directorate of Technical Education	7.00
28	Setting up of Polytechnic Institutes	Social	Technical Education	Directorate of Technical Education	00
29	Nephrology Centre, Srinagar	Social	Health	Directorate of Medical Education	1.26
30	Cardiac Centre, Srinagar	Social	Health	Directorate of Medical Education	16
31	Centre for Infertility & Reproductive Health	Social	Health	Directorate of Medical Education	00
32	Rishikesh Integrated Yatra Terminus	Tourism	Tourism	UTDB	00
33	Rai-Chatkeshwar Lake	Tourism	Tourism	UTDB	00
34	Barsu-Barnala-Dayara Ropeway	Tourism	Tourism	UTDB/UIPC	90.00
35	Mussoorie-Ca.[to A:: R]plewau	Tourism	Tourism	UTDB/UIPC	150.00
36	Srinagar-Pauri Ropeway	Tourism	Tourism	UTDB/UIPC	150.00

Audit Report on State Finances for the year ended 31 March 2014

37	Ranikhet-Chaubatiya Ropeway	Tourism	Tourism	UTDB/UIPC	75.00
38	Munsyari-Khaliyatop Ropeway	Tourism	Tourism	UTDB/UIPC	75.00
39	Development of Tehri Lake Area as International Tourist Destination	Tourism	Tourism	UTDB	5.00
40	O & M of Madan Negi Ropeway	Tourism	Irrigation	Irrigation	00
41	Toy Train	Tourism	Irrigation	Irrigation	00
42	Uttarakhand Air Connectivity Project	Transport	Civil Aviation	UIPC	21.00
43	Redevelopment of 7 Bus terminus at Tanakapur, Khatima, Lohaghat, Kathgodam, Roorkee	Transport	Transport	UTC/Uidec	87.74
44	Redevelopment of 14 Bus terminus at various locations	Transport	Transport	UTC/Uidec	00
45	Issuing of Smart Cards for driving License & Registration Certificate	Transport	Transport	Transport Commissioner	00
46	ISBT for Haridwar	Transport	Housing	Haridwar Development Authority	20.00
47	Song Dam Project	Water	Irrigation	Irrigation	750.00
48	Bus Terminal at Kotdwar	Urban	Urban Development	Kotdwar Nagar Palika	23.36
49	Parking cum shopping complex at Bageshwar	Urban	Urban Development	NPP, Bageshwar	1.00
50	Solid Waste Management, Mussoorie	Urban	Urban Development	NPP Mussoorie	9.00
51	Setting up of Old Age Home	Social	Social Welfare	Social	5.00
52	Development of Cricket Stadium	Sports	Sports	Departments of sports	00
53	O & M of Ice skating rink at Maharana Pratap Sports College, Raipur Dehradun	Sports	Sports	Departments of sports	16.00
54	Water Supply scheme for Mehuwala and Pithuwala Project	Water	Urban Development	Peyjal Nigam	8.37
55	Cinema Hall cum Shopping Complex in Nainital	Urban	Urban Development	NPP, Nainital	7.54
56	Commercial Hub at Transport Nagar	Urban	Urban Development	Nagar Nigam Haldwani	00
57	Guest House cum Emporium Building at Vashi, Navi Mumbai	Tourism	Estate	Estate	100.00
	Total				2,426.89

Appendix 1.9
(Reference: Paragraph 1.8.3.1; page 24)
List of Cancelled PPP Projects

(₹ in crore)

Sl.no.	Project Name	Sector	Department	Agency	Value
1	Hatcheries and Cleaning Units for Japanese Quail	Agriculture	Animal Husbandry	Poultry Board	--
2	Program Management for Streamlining the subsidies regime of Horticulture Department	Agriculture	Horticulture	--	--
3	Development of Fruit Processing Units in 4 locations	Agriculture	Horticulture	--	--
4	Bijapur (Tons) valley Power Projects	Energy	Energy	UIPC	13.04
5	Call Centre	IT	IT	Hiltron	--
6	Waste to energy	IT	IT	Hiltron	--
7	ITI	Social	Social Welfare	--	5.00
8	Old Age Homes	Social	Social Welfare	--	--
9	Hindon Expressway Connection to Dehradun & Haridwar	Roads	PWD	--	700.00
10	Rehabilitation of Kotdwar Flush Doon unit in PPP	Tourism	Tourism	GMVN	5.00
11	Gangotri Parking Lots	Tourism	Tourism	UTDB	--
12	Sanik Vishram Grah	Tourism	Social Welfare	Social Welfare	--
13	Doon Haat	Urban	Housing	MDDA	59.45
14	Mussoorie Mini Rail	Urban	Urban Development	Mussoorie Nagar Palika Parishad	--
15	Mussoorie Jhoolaghar Beautification	Urban	Urban Development	Mussoorie Nagar Palika Parishad	--
16	Hotel and Multipurpose Hall at Mussoorie	Urban	Urban Development	NPP Mussorie	--
17	Integrated Commercial Centre at Transport Nagar	Urban	Housing	MDDA/UIDEC	36.83
18	City Centre Majra	Urban	Housing	MDDA/UIDEC	35.00
19	Health City in Haridwar	Urban	Housing	Haridwar Development Authority	312.00
	Total				1,166.32

Appendix 1.10

(Reference: Paragraph 1.8.4; page 25)

Summarised Financial Statement of Departmentally Managed Commercial/ Quasi-commercial Undertakings

(₹ in lakh)

Sl. No.	Name of the Undertaking	Period of accounts	Mean Govt capital	Block assets at depreciated cost	Depreciation provided during the Year	Turnover	Net profit/ Loss	Interest on Capital	Total return (8+9)	Percentage of Return on capital
1	2	3	4	5	6	7	8	9	10	11
1	Irrigation Workshop Division, Roorkee	2011-12	191.72	80.57	6.03	55.57	(-) 26.22	23.49	(-) 2.73	(-) 1.42
2(a)	Regional Food Controller, Haldwani	2002-03	--	58.25	6.64	19,644.70	(-) 1,873.25	--	(-) 1,873.25	--
2(b)	Regional Food Controller, Dehradun	2002-03	--	9.97	1.00	8,357.23	(-) 1,797.44	--	(-) 1,797.44	--

Appendix 2.1

(Reference: Paragraph 2.3.1; page 40)

Statement of various grants/ appropriations where saving/ shortfall in the utilisation of funds was more than ₹ one crore or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue –Voted					
1	03	Council of Ministers	48.65	1.13	2.32
2	04	Judicial Administration	1,36.90	36.52	26.68
3	06	Revenue & General Administration	24,00.36	14,66.73	61.10
4	07	Finance ,Tax Planning Secretariat & Miscellaneous Services	31,86.72	1,16.17	3.65
5	08	Excise	13.07	2.02	15.46
6	10	Police & Jail	9,58.97	23.71	2.47
7	11	Education, Sports ,Youth Welfare & Culture	46,16.87	6,35.48	13.76
8	12	Medical Health & Family Welfare	9,69.36	1,16.11	11.98
9	13	Water Supply, Housing & Urban Development	8,18.47	3,08.25	37.66
10	14	Information	49.28	1.16	2.35
11	15	Welfare	7,92.80	1,78.11	22.47
12	16	Labour & Employment	1,46.02	28.70	19.65
13	17	Agriculture Works & Research	4,95.47	1,86.93	37.73
14	18	Co-Operative	44.31	8.53	19.25
15	19	Rural Development	4,92.35	1,79.22	36.40
16	20	Irrigation & Flood	3,63.35	36.48	10.04
17	22	Public Works	5,86.43	95.65	16.31
18	23	Industries	92.16	20.89	22.67
19	24	Transport	45.62	3.22	7.06
20	25	Food	2,53.32	2,26.55	89.43
21	26	Tourism	69.90	13.43	19.21
22	27	Forest	4,01.78	31.00	7.72
23	28	Animal Husbandry	1,60.62	24.93	15.52
24	29	Horticulture Development	1,57.57	40.87	25.94
25	30	Welfare of Scheduled Castes	6,47.90	2,10.00	32.41
26	31	Welfare of Scheduled Tribes	1,91.49	58.99	30.81
Total			1,81,39.74	40,50.78	22.33
Revenue –Charged					
1.	04	Judicial Administration	26.25	5.52	21.03
2.	07	Finance, Tax Planning, Secretariat & Miscellaneous Services	27,02.85	6,46.03	23.90
3.	09	Public Service Commission	11.28	2.40	21.28
4.	22	Public Works	4.33	1.75	40.42
Total			27,44.71	6,55.70	23.89
Capital-Voted					
1.	01	Legislature	48.20	22.00	45.64
2.	04	Judicial Administration	25.00	7.94	31.76
3.	06	Revenue & General Administration	27.00	13.78	51.04
4.	07	Finance, Tax Planning, Secretariat & Miscellaneous Services	5,29.53	40.81	7.71
5.	10	Police & Jail	1,05.40	46.89	44.49
6.	11	Education, Sports ,Youth Welfare & Culture	4,73.63	1,84.55	38.97
7.	12	Medical Health & Family Welfare	3,31.17	1,88.14	56.81
8.	13	Water Supply Housing & Urban Development	4,99.65	2,75.08	55.05

Audit Report on State Finances for the year ended 31 March 2014

9.	15	Welfare	32.56	6.75	20.73
10	16	Labour & Employment	5.00	1.54	30.80
11	17	Agriculture Works & Research	9,18.01	6,73.13	73.33
12	19	Rural Development	3,00.69	62.82	20.89
13	20	Irrigation & Flood	11,00.96	6,09.30	55.34
14	21	Energy	6,19.94	3,25.76	52.55
15	23	Industries	37.62	28.21	74.99
16	24	Transport	1,22.90	95.18	77.45
17	26	Tourism	78.09	47.68	61.06
18	27	Forest	67.81	18.82	27.75
19	30	Welfare of Scheduled Castes	5,41.26	3,00.94	55.60
20	31	Welfare of Scheduled Tribes	1,40.39	81.60	58.12
Total			60,04.81	30,30.92	50.47
Capital-Charged					
1	06	Revenue & General Administration	1.00	1.00	100
2	07	Finance, Tax Planning, Secretariat and Miscellaneous Services	21,52.79	6,70.67	31.15
3	09	Public Service Commission	4.00	4.00	100
Total			21,57.79	6,75.67	31.31
Grand Total			2,90,47.05	84,13.07	28.96

Appendix 2.2

(Reference: Paragraph 2.3.3; page 42)

Statement of various grants/ appropriations where excess expenditure was more than
₹ one crore each or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Total Expenditure	Excess Expenditure	Percentage of Excess Exp.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Capital (Voted)						
1	22	Public Works	9,97.91	10,54.50	56.59	5.67
2	25	Food	33.50	18,09.06	17,75.56	5300.18
3	29	Horticulture Development	00	5.00	5.00	Not Computable
Total			10,31.41	28,68.56	18,37.15	178.12

Appendix 2.3

(Reference: Paragraph 2.3.7; page 44)

Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary Provision
A-Revenue (Voted)					
1.	10 Police & Jail	9,36.14	9,35.26	0.88	22.83
2.	11 Education, Sports, Youth Welfare & Culture	45,32.73	39,81.39	5,51.34	84.14
3.	12 Medical, Health & Family Welfare	9,41.22	8,53.26	87.96	28.14
4.	13 Water Supply Housing & Urban Development	6,24.23	5,10.22	1,14.01	1,94.24
5.	15 Welfare	7,63.60	6,14.68	1,48.92	29.19
6.	17 Agriculture Works & Research	4,08.81	3,08.54	1,00.27	86.66
7.	25 Food	2,36.76	26.77	2,09.99	16.56
8.	27 Forest	3,76.02	3,70.78	5.24	25.76
9.	28 Animal Husbandry	1,41.24	1,35.70	5.54	19.38
10.	30 Welfare of Scheduled Castes	5,59.47	4,37.89	1,21.58	88.42
11.	31 Welfare of Scheduled Tribes	1,61.56	1,32.50	29.06	29.93
Total Revenue (Voted)		96,81.78	83,06.99	13,74.79	6,25.25
C- Capital (Voted)					
1	11 Education, Sports, Youth Welfare & Culture	3,03.32	2,89.08	14.24	1,70.31
2	12 Medical Health & Family Welfare	3,14.69	1,43.03	1,71.66	16.48
3	13 Water Supply, Housing & Urban Development	4,63.65	2,24.57	2,39.08	36.00
4	17 Agriculture	7,46.51	2,44.88	5,01.63	1,71.50
5	20 Irrigation & Flood	6,58.80	4,91.66	1,67.14	4,42.16
6	21 Energy	5,97.44	2,94.18	3,03.26	22.50
7	24 Transport	69.90	27.72	42.18	53.00
8	30 Welfare of Scheduled Castes	3,87.21	2,40.31	1,46.90	1,54.04
9	31 Welfare of Scheduled Tribes	86.03	58.79	27.24	54.36
Total Capital (Voted)		36,27.55	20,14.22	16,13.33	11,20.35
Grand Total		1,33,09.33	1,03,21.21	29,88.12	17,45.60

Appendix 2.4

(Reference: Paragraph 2.3.7.; page 44)

Statement of various grants/appropriations where supplementary provision proved insufficient by more than ₹ one crore each

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
1	22	Public Works (Capital- Voted)	7,64.20	2,33.71	9,97.91	10,54.50	56.59
2	25	Food (Capital Voted)	3.50	30.00	33.50	18,09.06	17,75.56
Total			7,67.70	2,63.71	10,31.41	28,63.56	18,32.15

Appendix 2.5

(Reference: Paragraph 2.3.8; page 44)

Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving
(shortfall in the utilisation of funds)/ in excess of ₹ 10 lakh and above

(₹ in lakh)

Sl. No.	Grant No.	Description	Voted/ Charged	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	03	Council of Ministers	Voted	2013-00-108-03	(+)15.16	(+)14.23
			Voted	2013-00-800-03	(+)35.71	(-)1,05.25
2	04	Judicial Administration	Voted	2014-00-105-03	(-)24.00	(-)15,40.38
			Voted	2014-00-105-04	(+)22.00	(-)1,28.86
			Voted	2014-00-108-03	(+)36.00	(-)1,66.47
3	05	Election	Voted	2015-00-103-05	(+)31.69	(-)53.98
			Voted	2015-00-105-03	(-)7.00	(-)12.26
4	06	Revenue and General Administration	Voted	2070-00-107-04	(+)8.00	(-)1,56.89
			Voted	2245-80-800-08	(+)12.76	(-)32.05
5	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Voted	2030-01-102-03	(-)35.00	(+)67.44
			Voted	2040-00-001-03	(+)60.00	(-)2,06.34
			Voted	2040-00-800-05	(-)60.00	(-)45.62
			Voted	3604-01-191-01	(+)3,88.10	(-)20,80.90
			Voted	3604-01-191-03	(+)30,00.00	(-)5,31.12
			Voted	3604-01-192-01	(+)3,88.10	(-)25,79.93
			Voted	3604-01-192-03	(-)42,44.00	(-)15,03.02
			Voted	3604-01-193-04	(+)12,44.00	(-)10,27.26
6	10	Police & Jail	Voted	2055-00-003-04	(-)2,48.16	(-)2,69.64
			Voted	2055-00-111-03	(-)22.01	(-)2,39.10
			Voted	2056-00-001-03	(-)1,50.00	(-)3,85.50
			Voted	2055-00-104-04	(+)71.60	(-)29.19
			Voted	2055-00-109-03	(+)64.50	(+)11,79.96
			Voted	2055-00-109-04	(+)12.60	(+)3,37.93
			Voted	2055-00-800-04	(-)501.66	(+)7,33.63
			Voted	2056-00-001-04	(+)1,50.00	(-)17.73
7	11	Education, Sports, Youth Welfare & Culture	Voted	2202-01-001-04	(-)5,95.68	(-)1,50,50.96
			Voted	2202-01-104-03	(+)5.68	(-)3,91.45
			Voted	2202-02-101-03	(-)71.00	(-)5,15.15
			Voted	2202-02-101-04	(+)2,60.00	(-)4,47.03
			Voted	2202-02-109-03	(-)3,14.50	(-)1,71,98.51
			Voted	2202-02-800-01	(-)2,00.00	(-)1,04,17.02
			Voted	2203-00-800-97	(-)6,00.00	(-)12,86.92
			Voted	2204-00-104-13	(-)37.43	(-)19.92
			Voted	2205-00-101-03	(-)13.48	(-)26.12
			Voted	2205-00-101-12	(-)13.14	(-)17.71
			Voted	2205-00-107-03	(+)3.10	(-)18.73

			Voted	2202-01-102-18	(+) 3,00.00	(-)2,04.99
			Voted	2205-00-001-03	(+) 1,09.76	(-)22.73
			Voted	4202-01-202-16	(-)8,07.11	(-)8,86.18
			Voted	4202-04-106-01	(-) 30.00	(-)3,33.00
			Voted	4202-02-104-03	(+) 6,50.00	(+)46.68
8	12	Medical, Health and Family Welfare	Voted	2210-01-110-18	(+)7.00	(-)1,84.47
			Voted	2210-03-104-03	(-)2,84.00	(-)7,45.21
			Voted	2210-03-110-06	(-)55.00	(-)1,26.39
			Voted	2210-03-110-17	(-) 4,95.00	(-)4,32.60
			Voted	2210-04-102-03	(-)57.50	(-)1,10.44
			Voted	2210-05-105-03	(+)6.75	(-)91.34
			Voted	2210-05-105-05	(-)6.75	(-)4,37.12
			Voted	2201-06-003-03	(+)3.00	(-)48.94
			Voted	2210-06-101-03	(-)75.00	(-)3,20.13
			Voted	2210-06-101-04	(-)60.00	(-)1,36.75
			Voted	2210-06-101-05	(-)19.33	(-)4,04.26
			Voted	2210-06-104-03	(+)3.00	(-)35.05
			Voted	2210-06-107-03	(-)1.00	(-)25.71
			Voted	2211-00-001-01	(-)7.70	(-)1,77.87
			Voted	2211-00-003-01	(-)30.00	(-)34.78
			Voted	2210-01-110-14	(+) 30.00	(-)10.36
			Voted	2210-02-102-04	(+) 57.50	(-)44.03
						Voted
9	13	Water Supply, Housing and Urban Development	Voted	2215-01-102-97	(-)78.30	(-) 1,42,21.70
			Voted	2215-02-105-01	(-)5,68.00	(-) 57,37.33
			Voted	2217-03-001-06	(-)7.71	(-)54.60
10	14	Information	Voted	2220-60-102-03	(+)3.34	(-)21.80
			Voted	2220-60-106-03	(-)0.34	(-)47.28
			Voted	2220-60-001-03	(+) 16.16	(-)10.00
11	15	Welfare	Voted	2225-01-001-05	(-) 64.24	(-)44.59
			Voted	2235-02-101-11	(+)2.84	(-)15.24
			Voted	2235-02-102-06	(-)20.00	(-)1,55.31
			Voted	2235-02-102-07	(-)64.50	(-)82.96
			Voted	2235-02-103-19	(-)5.59	(-)35.61
			Voted	2251-00-092-05	(-)0.90	(-)13.71
12	19	Rural Development	Voted	2515-00-800-07	(-)12.10	(-)6,54.74
			Voted	2515-00-800-08	(-)4.27	(-) 21,28.15
			Voted	4515-00-102-09	(-)50.00	(-) 24,50.52
13	20	Irrigation & Floods	Voted	2700-00-001-04	(-) 42,45.09	(+)14,12.81
			Voted	2702-03-103-03	(+) 20,00.00	(-)9,99.34
			Voted	2702-80-800-91	(+)1.17	(+)70.00
			Voted	4700-06-800-02	(+)13,12.79	(+)83.96
			Voted	4700-07-800-02	(+)1,82.12	(+)1,88.33
			Voted	4711-01-103-03	(+) 28,00.00	(-)1,25.36
15	21	Energy	Voted	4801-01-190-97	(-) 1.49	(-)1,71.09
16	22	Public Works	Voted	2059-80-001-03	(-) 5,00.00	(-)1,03.77
			Voted	2059-80-051-03	(-)3,00.00	(-)32,62.94
			Voted	3054-04-337-03	(+) 26,99.50	(+)23,91.56
			Voted	5054-04-800-03	(+)1,04,70.00	(+) 1,04,70.55
			Voted	5054-04-800-05	(+)8,00.00	(+)8,86.06
			Voted	4059-04-800-97	(-)1,12,70.00	(-) 1,12,31.80

Audit Report on State Finances for the year ended 31 March 2014

17	24	Transport	Voted	3055-00-190-06	(-)48.10	(-)91.98
18	25	Food	Voted	2408-01-001-03	(-)55.80	(-)8,53.43
			Voted	3456-00-001-04	(+)55.80	(-)41.10
19	26	Tourism	Voted	5452-80-104-04	(+)2,69.86	(-)1,08.53
20	28	Animal Husbandry	Voted	2403-00-101-01	(+)39.65	(-)99.40
			Voted	2403-00-107-01	(-)39.65	(-)4,74.47
21	30	Welfare of Scheduled Caste	Voted	2225-01-001-08	(-)6.00	(-)13.45
			Voted	2225-01-277-06	(-)72.33	(-)31.08
			Voted	2403-00-107-01	(-)6.86	(-)90.00
			Voted	2225-01-277-03	(+)30.62	(-)16.33
22	31	Welfare of Scheduled Tribes	Voted	2225-02-277-03	(-)8.12	(-)22.02
			Voted	2225-02-277-04	(-)80.33	(-)75.05
			Voted	2225-02-800-15	(+)1.06	(-)29.38
			Voted	5054-04-796-97	(-)13,50.00	(-)5,05.81
			Voted	5054-04-796-02	(+)13,00.00	(-)8,82.10

Appendix 2.6
(Reference: Paragraph 2.3.9; page 45)
Substantial surrenders made during the year 2013-14

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the scheme (Head of Account)	Original Grant	Amount of Surrender	Percentage of Surrender
1.	06-Revenue and General Administration	2070-00-104-04	5,34.82	5,05.29	94.48
		2070-00-105-03	43.22	27.77	64.25
2.	07-Finance Tax, Planning, Secretariat and Misc Services	2030-01-102-03	1,00.00	52.03	52.03
		2030-02-101-03	10,00.00	6,06.17	60.62
		2052-00-090-08	20.00	18.62	93.10
		2052-00-090-11	43.31	32.58	75.23
		3451-00-092-04	2,00.00	1,67.97	83.99
		2030-01-101-03	50.00	50.00	100.00
		4216-02-800-03	4,00.00	3,01.50	75.38
3.	10-Police & Jail	2055-00-800-23	5,04.00	2,56.32	50.86
		4055-00-211-06	1,50.00	1,00.00	66.67
4.	11-Education, Sports, Youth Welfare and Culture	2202-05-001-03	68.60	39.99	58.29
		2202-05-103-06	69.95	35.54	50.81
		2202-05-103-08	1,20.73	1,01.21	83.83
		2204-00-001-05	80.00	60.16	75.20
		4202-03-102-15	1,00.00	70.00	70.00
		4202-03-102-16	1,00.00	98.83	98.83
5.	13-Water supply, Housing & Urban Development	2217-03-191-01	31,60.00	26,31.48	83.27
		2217-03-191-03	1,390.01	12,21.53	87.88
		4217-03-800-01	1,59,65.00	1,35,06.52	84.60
6.	17- Agriculture Works & Research	2401-00-102-01	21,16.01	20,90.44	98.79
		2401-00-110-01	6,00.00	5,81.95	96.99
		2401-00-800-97	42,79.18	21,30.57	49.79
7.	18-Co-operative	2425-00-001-06	48.68	38.99	80.09
		2425-00-800-04	250.00	1,77.93	71.17
8.	20-Irrigation and Flood	2702-80-800-03	28.99	15.09	52.05
		4700-03-800-02	30.00	20.83	69.43
9.	21-Energy	2801-05-800-03	11.46	6.00	52.36
		6801-01-190-97	30,44.00	20,18.00	66.29
		6801-05-190-97	1,25,00.00	1,12,11.87	89.69
10.	23-Industries	4859-02-800-01	28,04.00	26,04.00	92.87
		4859-02-800-10	2,00.00	2,00.00	100.00
11.	24-Transport	5053-02-800-08	20.00	19.54	97.70
12.	28-Animal Husbandry	2405-00-190-01	28.00	14.11	50.39
		2405-00-800-01	45.00	42.98	95.51
13.	29-Horticulture Development	2401-00-119-10	21.84	11.11	50.87
		2401-00-119-18	25.00	13.16	52.64
14.	30-Welfare of Scheduled Caste	2217-03-191-01	7,20.00	5,99.57	83.27
		4702-00-800-02	1,82.50	1,16.44	63.80
		6801-05-190-97	14,10.00	11,16.50	79.18
15.	31-Welfare of Scheduled Tribes	2217-03-191-01	1,23.00	1,02.94	83.69
		4217-03-800-01	1,05.00	86.85	82.71
		4702-00-796-02	49.50	45.33	91.58
Total			5,27,41.80	4,31,47.71	81.81

Appendix 2.7
 (Reference: Paragraph 2.3.10; page 45)
 Surrenders in excess of actual savings (₹ 50 lakh or more)

(₹ in crore)

Sl. No.	Number and name of the grant	Total grant	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1	01-Legislature	20.63	0.90	0.91	0.01
2	20-Irrigation & Flood	3,63.35	36.48	47.99	11.51
Capital-Voted					
3	20-Irrigation & Flood	11,00.96	6,09.30	6,66.07	56.77
Total		14,84.94	6,46.68	7,14.97	68.29

Appendix 2.8
(Reference: Paragraph 2.3.11; page 45)
**Statement of various grants/appropriations in which savings of ₹ five crore and above occurred
but no part of which had been surrendered**

(₹ in crore)

Sl. No	Grant No.	Name of grant/appropriation	Total Grant/Appropriation	Exp.	Saving
1	1	Legislature (Capital-Voted)	48.20	26.20	22
2	04	Judicial Administration (Revenue-Voted)	1,36.90	1,00.38	36.52
		Judicial Administration (Revenue-charged)	26.25	20.73	5.52
		Judicial Administration (Capital-Voted)	25.00	17.06	7.94
3	07	Finance Tax, Planning, Secretariat and Misc Services (Revenue-Charged)	27,02.85	20,56.82	6,46.03
		Finance Tax, Planning, Secretariat and Misc Services (Capital-Charged)	21,52.79	14,82.12	6,70.67
4	12	Medical Health & Family Welfare (Revenue-Voted)	9,69.36	8,53.26	1,16.11
		Medical Health & Family Welfare (Capital-Voted)	3,31.17	1,43.03	1,88.14
5	15	Welfare (Revenue-Voted)	7,92.80	6,14.68	1,78.11
		Welfare (Capital-Voted)	32.56	25.80	6.76
6	19	Rural Development (Capital-Voted)	3,00.69	2,37.87	62.82
7	22	Public Works (Revenue-Voted)	5,86.43	4,90.77	95.66
8	25	Food (Revenue-Voted)	2,53.32	26.77	2,26.55
9	26	Tourism (Revenue-Voted)	69.90	56.47	13.43
		Tourism (Capital-Voted)	78.09	30.41	47.68
10	27	Forest (Revenue-Voted)	4,01.78	3,70.78	31
		Forest (Capital-Voted)	67.81	48.99	18.82
Total			89,75.90	66,02.14	23,73.76

Appendix 2.9
(Reference: Paragraph 2.3.11; page 45)
Details of saving/ shortfall in the utilisation of funds of ₹ one crore and above not surrendered
(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
Revenue-Voted				
1.	04-Judicial Administration	36.52	00	36.52
2.	06-Revenue & General Administration	14,66.73	36.62	14,30.11
3.	07-Finance, Tax, Planning, Secretariat & Misc.	1,16.17	20.82	95.35
4.	08- Excise	2.02	00	2.02
5.	10-Police & Jail	23.71	19.55	4.16
6.	11-Education, Sports, Youth Welfare & Culture	6,35.48	6.00	6,29.48
7.	12-Med Health & Family Welfare	1,16.11	00	1,16.11
8.	13- Water Supply, Housing & Urban Development.	3,08.25	2,10.88	97.37
9.	14-Information	1.16	00	1.16
10.	15-Welfare	1,78.11	00	1,78.11
11.	16-Labour & Employment	28.70	4.92	23.78
12.	17-Agriculture Works & Research	1,86.93	1,76.31	10.62
13.	19-Rural Development	1,79.22	1.03	1,78.19
14.	22-Public Works	95.65	00	95.65
15.	23-Industries	20.89	3.01	17.88
16.	24-Transport	3.22	0.64	2.58
17.	25-Food	2,26.55	00	2,26.55
18.	26-Tourism	13.43	00	13.43
19.	27-Forest	31.00	00	31.00
20.	28-Animal Husbandry	24.93	10.89	14.04
21.	30-Welfare of Scheduled Castes	2,10.01	58.31	1,51.70
22.	31- Welfare of Scheduled Tribes	58.99	15.69	43.30
Total		39,63.78	5,64.67	33,99.11
Revenue-Charged				
23.	04-Jud. Admn	5.52	00	5.52
24.	07-Fin, Tax, Planning, Sectt & Misc.	6,46.03	00	6,46.03
25.	09-Public Service Commission	2.40	00	2.40
26.	22-Public Works	1.75	00	1.75
Total		6,55.70	00	6,55.70
Capital-Voted				
27.	01 legislature	22.00	00	22.00
28.	04-Jud. Admn	7.94	00	7.94
29.	06-Rev & Gen Admn	13.78	0.52	13.26

30.	07-Fin, Tax, Planning, Sectt & Misc.	40.81	4.02	36.79
31.	10-Police & Jail	46.89	45.39	1.50
32.	11-Education, Sports, Youth Wel & Cul	1,84.55	2.19	1,82.36
33.	12-Med Health & Family Welfare	1,88.14	00	1,88.14
34.	13- Water Supply, Housing & Urb Dev.	2,75.08	2,49.99	25.09
35.	14-Information	00	00	00
36.	15-Welfare	6.75	00	6.75
37.	16-Labour & Employment	1.54	00	1.54
38.	17-Agriculture Works & Research	6,73.13	1.04	6,72.09
39.	19-Rural Development	62.82	00	62.82
40.	21-Energy	3,25.76	3,23.24	2.52
41.	24-Transport	95.18	43.20	51.98
42.	26-Tourism	47.68	00	47.68
43.	27-Forest	18.82	00	18.82
44.	30-Welfare of Scheduled Castes	3,00.94	1,16.23	1,84.71
45.	31- Welfare of Scheduled Tribes	81.60	37.22	44.38
Total		23,93.41	8,23.04	15,70.37
Capital-Charged				
46.	06-Rev & Gen Admn	1.00	00	1.00
47.	07-Fin, Tax, Planning, Sectt & Misc.	6,70.67	00	6,70.67
48.	09-Public Service Commission	4.00	00	4.00
Total		6,75.67	00	6,75.67
Grand Total		76,88.56	13,87.71	63,00.85

Appendix 2.10

(Reference: Paragraph 2.3.11; page 45)

Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2014

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Percentage of Total Provision
1	2	3	5	6
1	6	2029-Land Revenue (Revenue-Voted)	18.94	12.38
		2053-District Administration (Revenue-Voted)	11.28	12.03
2	7	2030-Stamp and Registration (Revenue-Voted)	11.61	34.49
3	10	2055-Police (Revenue-Voted)	19.56	2.11
		4055-Capital Outlay on Police (Capital-Voted)	45.39	47.58
4	13	2217-Urban Development (Revenue-Voted)	2,24.12	80.36
		4215-Capital Outlay on Water Supply & Sanitation (Capital-Voted)	13.24	9.81
		4217-Capital Outlay on Urban Development(Capital-Voted)	2,36.74	64.92
5	17	2401-Crop Husbandry (Revenue-Voted)	1,76.31	50.81
6	20	2700-Major Irrigation (Revenue-Voted)	63.86	22.81
		4700-Capital Outlay on Major Irrigation(Capital-Voted)	1,30.99	31.68
		4702-Capital Outlay on Minor Irrigation (Capital-Voted)	2,19.06	51.22
		4711-Capital Outlay on Flood Control Project (Capital-Voted)	1,68.49	65.80
7	21	4801-Capital Outlay on Power Projects (Capital-Voted)	1,85.86	42.29
		6801-Loan For Power Projects	1,37.39	76.14
8	23	4859-Capital Outlay on Telecommunications & Electronic Industries (Capital-Voted)	28.04	76.38
9	29	2401-Crop Husbandry (Revenue-Voted)	40.59	25.76
12	30	4702-Capital Outlay on Minor Irrigation (Capital-Voted)	78.40	94.36
		6801-Loans for Power Projects	11.17	58.48
13	31	2217-Capital Outlay on Urban development (Revenue-Voted)	11.64	70.72
Total			18,32.68	38.67

Appendix 2.11
(Reference: Paragraph 2.3.12; page 46)
Rush of Expenditure

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2014	Expenditure incurred in March 2014	Total Expenditure	Percentage of total expenditure incurred during	
					Jan-March 2014	March 2014
1.	2015	5.96	4.16	11.39	52.33	36.52
2.	2030	11.90	8.56	19.97	59.59	42.86
3.	2203	76.76	65.19	1,32.15	58.09	49.33
4.	2217	46.35	40.60	68.06	68.10	59.65
5.	2245	4,19.99	3,05.88	6,70.30	62.66	45.63
6.	2250	20.34	14.82	38.48	52.86	38.51
7.	2701	5.17	3.93	10.00	51.70	39.30
8.	3054	1,25.49	1,10.10	1,82.58	68.73	60.30
9.	4055	44.65	40.08	49.01	91.10	81.78
10.	4059	64.98	31.14	88.84	73.14	35.05
11.	4202	2,32.49	2,08.19	3,06.96	75.74	67.82
12.	4210	1,21.16	1,12.54	1,43.53	84.41	78.41
13.	4216	29.86	28.19	36.94	80.83	76.31
14.	4217	86.54	67.84	1,49.22	57.99	45.46
15.	4225	59.99	45.22	78.43	76.49	57.66
16.	4235	13.41	13.41	14.15	94.77	94.77
17.	4401	17.61	14.70	10.82	162.75	135.86
18.	4406	25.82	14.15	49.93	51.71	28.34
19.	4700	1,65.75	87.99	2,97.85	55.65	29.54
20.	4702	50.34	48.22	72.97	68.99	66.08
21.	4711	49.25	34.05	88.06	55.93	38.67
22.	4859	6.28	6.28	8.66	72.52	72.52
23.	4885	26.00	26.00	26.00	100.00	100.00
24.	5053	15.50	15.50	15.50	100.00	100.00
25.	5452	18.70	12.81	32.41	57.70	39.52
26.	6004	35.12	2.85	51.30	68.46	5.56
27.	6401	1,80.40	1,80.40	2,10.40	85.74	85.74
28.	7055	10.00	10.00	10.00	100.00	100.00
Total		19,65.81	15,52.80	28,73.91	68.40	54.03

Appendix 2.12
(Reference: Paragraph 2.3.13; page 46)
Fund transferred to deposit accounts at the end of the year

(₹ in crore)

Year/ Name of Department (Account holder)	Date of fund transfer	From where transferred (HOA)	Where transferred (HOA-Deposit)	Amount transferred to deposit heads
2011-12				
Director Agriculture, Dehradun	31 March 2012	2401-00-800-01	8443-00-800	78.70
Total				78.70
2012-13				
Civil Aviation Department, Dehradun	30 March 2013	5053-02-800-99	8443-00-800	62.00
Total				62.00
2013-14				
Addl.CEO & FC, UK-KVIB, Dehradun	31 March 2014	Cash challan	8443-00-800	2.40
FC, Parivahan Nigam, Dehradun	31 March 2014	Cash challan	8443-00-800	10.00
District Magistrate, Dehradun	29 March 2014	4250-00-800-09	8443-00-800	1.34
	30 March 2014	4202-02-105-(7 to 11)	8443-00-800	23.61
	31 March 2014	Cash challan	8443-00-800	26.00
		4202-03-102-(18,01,20)	8443-00-800	16.52
Total				79.87
Grand Total				2,20.57

Appendix 2.13
(Reference: Paragraph 2.4.1.2; page 48)
Persistent savings during 2011-14

(₹ in lakh)

	Head of Account	Year	Total Provision	Expenditure	Gross Saving	Percentage
Revenue-Voted						
1	2700 Major Irrigation	2011-12	31,00.00	29,89.87	1,10.13	3.55
	00	2012-13	20,90.00	16,30.02	4,59.98	22.01
	001 Direction & Administration	2013-14	16,00.00	14,05.17	1,94.83	12.18
2	05 Lump sum arrangement for casual labourers					
	2701 Medium Irrigation	2011-12	25.00	00	25.00	100
	15 Prevention of residential/non residential buildings	2012-13	25.00	00	25.00	100
	101 Maintenance & Repair	2013-14	5.00	00	5.00	100
	02 Other Maintenance Expenses					
Capital-Voted						
3	4700 Capital Outlay on Major Irrigation	2011-12	00	00	00	00
	01 Jamrani Dam	2012-13	45.00	00	45.00	100
	800 Other Expenditure	2013-14	10.00	00	10.00	100
4	01 Central Plan/Centrally Sponsored Schemes					
	4700 Capital Outlay on Major Irrigation	2011-12	30.00	5.04	24.96	83.20
	03 For Payment of Decretal Amount inherent in Contracts of Various Projects of ID	2012-13	30.00	7.47	22.53	75.10
	800 Other Expenditure	2013-14	30.00	9.17	20.83	69.43
	02 Maintenance Expenses					
5	4700 Capital Outlay on Major Irrigation	2011-12	1,29,82.55	82,33.66	47,48.89	36.58
	05 New Projects for ID	2012-13	1,39,69.59	63,47.67	76,21.92	54.56
	800 Other Expenditure	2013-14	1,09,28.75	29,63.59	79,65.16	72.88
6	01 Central Plan/Centrally Sponsored Schemes (AIBP-General)					
	4701 Capital Outlay on Medium Irrigation	2011-12	1,00.00	26.72	73.28	73.28
	80 General	2012-13	70.00	10.60	59.40	84.86
	005 Survey & Investigation (Including Kishau Dam)	2013-14	50.00	35.04	14.96	29.92
	03 Construction Works					
7	4701 Capital Outlay on Medium Irrigation	2011-12	15.00	00	15.00	100
	80 General	2012-13	15.00	00	15.00	100
	103 Civil Works	2013-14	5.00	00	5.00	100
	06 Up gradation of Parikalp & Training Institute					
	03 Construction Works					
8	4701 Capital Outlay on Medium Irrigation	2011-12	1,00.00	1,00.00	00	00
	80 General	2012-13	1,00.00	00	1,00.00	100
	190 Investment in Govt. & Other Sub Sector	2013-14	1,00.00	00	1,00.00	100
	03Share Capital to UK Dev. Projects & Public Works					

Audit Report on State Finances for the year ended 31 March 2014

9	4701 Capital Outlay on Medium Irrigation 80 General 800 Other Expenditure 03 Construction of Water Reservoir etc.	2011-12	4,50.00	2,15.78	2,34.22	52.05
		2012-13	70.00	00	70.00	100
		2013-14	70.00	00	70.00	100
10	4711 Capital Outlay on Flood Control Projects 01 Flood Control 103 Civil Works 01 Central Plan/ Centrally Sponsored schemes	2011-12	75,99.33	11,02.84	64,96.49	85.49
		2012-13	80,00.00	15,51.53	64,48.47	80.61
		2013-14	2,26,04.50	43,64.85	1,82,39.65	80.69
11	4711 Capital Outlay on Flood Control Projects 01 Flood Control 103 Civil Works 03 Unexpected Emergency Works, Improvement & Erosion in rivers	2011-12	5,52.45	4,73.24	79.21	14.34
		2012-13	26,00.00	22,89.55	3,10.45	11.94
		2013-14	58,00.00	43,90.66	14,09.34	24.30

Source: Departmental figures

Appendix 2.14
(Reference: Paragraph 2.4.1.4; page 48)
Rush of Expenditure

(₹ in lakh)

Head of account	Total Expenditure	Exp. incurred upto Dec. 2013	Exp. incurred Jan to March	Exp. incurred in March	Total per cent of exp. incurred upto Dec 2013	Per cent of Exp. incurred Jan to March	Per centage of Exp. incurred in March Only
4700-Capital outlay on Major Irrigation-04- Constructions of Tubewells	13,47.76	5,17.14	8,30.62	5,03.45	38.37	61.63	37.35
4700-Capital outlay on Major Irrigation-06-Under Constructions Irrigation Canals	42,04.86	19,06.39	22,98.47	16,63.01	45.34	54.66	39.55
4700-Capital outlay on Major Irrigation-07- Renovation of Uttrakhand Minor lift Canals-800-Other Expenditures-02-Other Maintenance Expenses	5,32.12	2,92.97	2,39.15	1,52.81	55.06	44.94	28.72
4700-Capital outlay on Major Irrigation-01-Jamrani Dam	50.00	19.94	30.06	13.40	39.88	60.12	26.80
4701-Capital outlay on Medium Irrigation-00-052- Machinery & Equipments	6.84	00	6.84	6.84	00	100.00	100.00
4701-Capital outlay on Medium Irrigation-80- General-003-Training	24.95	00	24.95	24.95	00	100.00	100.00
4701-Capital outlay on Medium Irrigation-800- Other Expenditure-05- Construction of Inspecting Buildings	50.00	00	50.00	50.00	00	100.00	100.00
2711-Flood Control and Drainage-01-Flood control-03-Civil construction Work	5,90.02	2,11.75	3,78.27	3,27.51	35.89	64.11	55.51
4700-Capital outlay on Major Irrigation-18- Modernization/Re- construction of Bridges-800-Other Expenditure- 02- Other Maintenance- Expenditure	12,00.00	1,66.58	10,33.42	8,02.00	13.88	86.12	66.83
4711-Capital Outlay on Flood Control-01-Flood control-103-Civil Works-01-Central Plan/Centrally Sponsored Schemes	43,64.84	26,04.05	17,60.80	17,00.27	59.66	40.34	38.95
Total	1,23,71.39	57,18.82	66,52.58	52,44.24	46.23	53.77	42.39

Appendix 2.15

(Reference: Paragraph 2.6.; page 50)

Expenditure made from Contingency Fund during the year 2013-14 remained un-recouped

(₹ in crore)

Sl. No	Grant No	Major Head	Budget Estimate	Re-appropriation/ Surrender	Total	Actual Exp	Adv From Contingency Fund
1.	03-Council of Ministers	2013	48.65	(-)0.22	48.43	47.51	1.52
2.	04-Judicial Administration	2014	1,36.90	00	1,36.90	1,00.38	0.14
3.	10-Police & Jail	2055	9,28.22	(-)19.56	9,08.66	9,08.55	0.79
4.	11-Education, Sports, Youth Welfare & Culture	2202	43,83.01	(-)3.28	43,79.73	37,93.87	0.03
5.	12-Medical, Health & Family Welfare	2210	8,75.02	00	8,75.02	7,64.47	0.25
6.	14-Information	2220	49.28	00	49.28	48.12	0.09
7.	15-Welfare	2225	36.14	(-)0.63	35.51	24.69	54.72
		2235	6,81.03	(+)0.42	6,81.45	5,51.32	
		2250	75.27	00	75.27	38.48	
8.	16-Labour & Employment	2230	1,19.51	00	1,19.51	95.99	0.08
9.	19-Rural Development	2515	4,07.08	(-)1.03	4,06.05	2,63.82	1.95
10.	22-Public Work	5054	9,93.71	00	9,93.71	10,54.50	1,05.00
		2059	3,50.83	(-)8.00	3,42.83	3,06.51	
11.	23-Industries	2853	15.11	00	15.11	5.10	3.86
12.	24-Transport	5055	54.20	00	54.20	2.21	0.28
13.	25-Food	2408	2,44.44	(-)0.56	2,43.88	21.35	0.07
14.	26-Tourism	5452	78.09	00	78.09	30.41	2.10
15.	28-Animal Husbandry	2403	1,31.79	(-)0.19	1,31.60	1,17.75	1.23*
16.	30-Welfare Of Scheduled Castes	2225	1,70.50	(-)1.14	1,69.36	1,61.03	18.30
		2235	1,44.16	(+)1.14	1,45.30	99.79	
17.	31-Welfare OF Scheduled Tribes	2225	80.02	00	80.02	66.15	4.07
		2235	32.98	00	32.98	25.34	
Total			1,00,35.94	(-)33.05	1,00,02.89	85,27.34	1,94.48

Source: Information as compiled from VLC data of Accountant General (A&E), Uttarakhand

*Recouped on 8 July 2014 (2014-15)

Appendix 2.16
(Reference: Paragraph 2.6; page 51)
Year wise non recoupmnt of funds to Contingency Fund under the Grants and Major Heads

(₹ in lakh)

Grant No.	MH	Un-recouped Contingency fund											Total
		2000-01	2001-12	2002-03	2003-04	2004-05	2005-06	2006-07	2009-10	2010-11	2011-12	2012-13	
3	2013	--	--	--	--	--	--	--	--	--	--	99.99	99.99
6	2029	--	--	7.57	0.50	1.03	--	--	4.67	21.55	--	--	35.32
6	2053	--	--	--	45.84	--	--	--	--	--	--	--	45.84
6	2070	--	--	--	--	--	--	--	--	--	--	0.20	0.20
7	2040	--	8.56	--	--	--	--	--	--	--	--	--	8.56
7	4515	--	--	--	--	--	2,58.19	--	--	37.90	--	--	2,96.09
12	2210	--	10.19	--	--	--	--	--	2,78.35	--	--	--	2,88.54
12	4210	--	--	--	50.00	80.00	--	--	--	--	--	--	1,30.00
13	2217	--	--	--	--	--	--	--	--	35.00	--	--	35.00
15	2235	--	--	--	--	--	--	--	1.96	7.59	--	--	9.55
16	2230	--	--	--	--	--	--	--	--	--	--	2.80	2.80
18	2425	--	--	--	--	--	2.50	--	--	--	5,13.95	0.07	5,16.52
19	2515	--	--	--	--	--	--	--	--	9,55.31	14.18	--	9,69.49
19	4515	--	--	--	--	--	--	--	--	--	36,16.00	18,32.35	54,48.35
21	4801	2,00.00	--	--	--	--	--	--	--	--	--	--	2,00.00
22	2059	66.90	--	--	--	--	--	--	--	--	--	--	66.90
22	4059	87.32	--	--	--	--	--	--	--	--	--	--	87.32
25	3456	--	--	--	--	--	--	19.50	--	--	--	--	19.50
28	2403	--	--	--	--	--	--	--	1,62.99	20.39	--	--	1,83.38
30	2403	--	--	--	--	--	--	--	--	--	--	71.31	71.31
Total		3,54.22	18.75	7.57	96.34	81.03	2,60.69	19.50	4,47.97	10,77.74	41,44.13	20,06.72	85,14.66

Appendix 2.17
(Reference: Paragraph 2.7 (A); page 51)
Pending DC bills for the years up to 2013-14 (Position as on March 2014)

(₹ in lakh)

Sl.No.	Department	Major Head	Number of AC bills	Amount
1	Election	2015	3	5.46
2	Education	2202	6	38.04
3	NCC Directorate	2202	47	14.80
4	DIET	2202	4	19.57
5	Youth Welfare	2204	12	9.15
6	General Administration	2205	1	0.25
7	Medical, Health & Family Welfare	2210	8	4,48.73
8	Uttarakhand Ayurvedic & Unani Services	2210	1	0.25
9	Animal Husbandry	2403	9	13.90
10	Homeguard	2070	2	0.39
11	General Administration	2070	2	2.35
12	Uttarakhand Information Commission	2070	1	0.25
13	Revenue & General Administration	4059	1	29.66
14	General Administration	2245	4	1,05.84
15	General Administration	2053	5	0.56
16	Rural Development	2515	6	0.26
17	Panchayati Raj	2515	1	0.03
18	Urban Development	2217	1	0.20
19	Animal Husbandry	2401	2	0.05
20	Forest	2406	10	2.04
21	Transport	3055	1	0.20
22	Irrigation	2700	1	0.10
23	Soldier Board	2235	1	18.46
24	Fisheries	2405	1	0.03
25	Industries (Mines Directorate)	2853	1	0.10
26	Sr. Finance Officer, Govt. Secretariat	2052	2	0.60
27	RFC Kumaun	4408	1	40.00
28	Labour & Employment (Dy. Director Factory)	2230	1	15.00
29	Uttarakhand Law & Judicial Academy	2014	4	2.44
30	Tourism	5452	1	5.00
31	Director Revenue Police	2053	1	0.15
32	Commissioner Kumaun	2053	1	0.25
33	Chief Probationer Officer, Women Welfare	2235	1	0.05
Total			143	7,74.16

Appendix 3.1
(Reference: Paragraph 3.3; page 56)
Statement of finalisation of Accounts and the Government Investment in Departmentally Managed Commercial and Quasi-Commercial Undertakings

Sl. No.	Name of the Undertaking	Accounts finalized up to	Investment as per the last accounts finalized (₹ in crore)	Remarks/Reasons for Delay in Preparation of accounts
Department of Irrigation:				
1.	Irrigation Workshop Division, Roorkee	2011-12	1.92	NA
Food & Civil Supply Department				
2.	Regional Food Controller, Haldwani	2002-03	NA	NA
3.	Regional Food Controller, Dehradun	2002-03	NA	NA

Appendix 3.2

(Reference: Paragraph 3.4; page 57)

Department wise/duration wise break-up of the cases of misappropriation, defalcation etc. (cases where final action was pending at the end of March 2014)

Sl. No.	Name of the Department	Number of cases of delay						Total No. of Cases.
		0-1 years	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years to More	
1.	Education	--	--	--	--	--	01	01
2.	Forest	--	--	02	01	--	--	03
TOTAL				02	01	--	01	04

Appendix 3.3

(Reference: Paragraph 3.4; page 57)

Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/ loss of Government material

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
		(₹ in lakh)		(₹ in lakh)		(₹ in lakh)
Education	--	--	01	1.07	01	1.07
Forest	--	--	03	142.71	03	142.71
Total	--	--	04	143.78	04	143.78

Appendix 4.1
Glossary of terms

Sl No.	Terms	Description
1	State Implementing Agency	State Implementing Agency includes any Organisations/Institutions including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.
2.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
3.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i>
4.	Internal Debt	Comprising mainly Market Loans and Special Securities issued to the National Small Savings Fund (NSS) by the State Government.
5.	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. <i>Merit goods</i> are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
6.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
7.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a current debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
8.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be current or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
9.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
10.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
11.	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.